

Donald E. Fearn, Mayor Ralph J. Perk, Helen Galub, Jean Calhoun, Rachael Redinger, Kenneth Kovack, Reverend Roy W. Neal.

Mr. Speaker, I would also like to submit to you the excellent program prepared for that evening which featured Carl T. Rowan, the renowned journalist, as the keynote speaker.

PROGRAM

Toastmaster: James D. Johnson.
Pledge of Allegiance and National Anthem.
Invocation: Reverend Edward J. Camille, MSW, Secretariat of Social Concerns, Diocese of Cleveland.

DINNER

Welcome: George M. Edwards, President, Area Councils Association.

Introduction of speakers table and special guests: James D. Johnson, Chairman, Annual Dinner.

Introduction of area council presidents and area councils association officers: Mrs. Helen Golub, General Coordinator, Area Councils Association.

Installation of new officers: Pitzer B. Bradley, President, United Area Citizens Agency.
Introduction of speaker: Booker T. Tall, Director, Department of Black Affairs, Cuyahoga Community College.

Speaker: Carl T. Rowan, Syndicated Columnist.

"Life, Liberty and the Pursuit of Happiness."

Presentation of Bicentennial Commission awards: Kenneth Kovack.

Ohio State Presentation: Charles L. Butts.

Nominees Presentation: George Vossnik, Chairman, Kiwanis—Citizenship Services Committee.

Good Neighbors of the Year: Donald E. Fearn, Chairman, Selection Committee.

Benediction: Reverend Roy W. Neal, Pastor, Cory United Methodist Church.

The highlight of the evening, Mr. Speaker, came with the announcement of the Nominees for the 1976 Good Neighbors Awards. These dedicated Clevelanders deserve your admiration and recognition:

Fairfax Area Council: Carolyn Greene, 2232 East 95th St.; Sam Marable, 2342 East 82nd St.

Forest Hill Parkway Area Council: Mrs. Ruby Stewart, 557 East 117th St.; Mr. Posey Mallory, 730 Eddy Road.

Glennville Area Community Council: Mrs. Audrey Jeter, 1405 East Blvd.; James D. Johnson, 10114 Ostend Avenue.

Hough Community Council: Mrs. Geneva Campbell, 1338 East 82nd St.; Abraham N. Shepherd, 7704 Melrose Ave.

Kinsman Area Council: Mrs. Emma Baird, 2699 Tennyson Ave.; Mr. Jewel Griffin, 9110 Harris Ave.

Ludlow Community Association: Vera Diekhoff, 3102 Van Aken Blvd.; C. Bushnell Olmstead, 3045 Keswick St.

Lee-Seville-Miles Citizens Council: Marie Rubin, 16210 Seville Rd.; Mason L. Jackson, 15207 Sunview Ave.

Lee-Harvard Community Association: Clara S. Flack, 4255 East 175th St.; Mr. Howard Hyche, 3860 Lee Hts. Blvd.

Moreland Community Association: Bette A. Webster, 3618 Lindholm Rd.; Perry L. Johnson, 3623 Lindholm Rd.

Mt. Pleasant Community Council: Mrs. Eula M. Thornton, 3355 East 137th St.; Horace L. Otkinson, 14013 Milverton Rd.
Southeast Civic Association: Mrs. Evelyn Keselica, 3857 West 15th St.; Mrs. Rita Laquatra, 3925 Mapledale Ave.

Tremont Area Civic Association: Mrs. Winifred Duncan, 2363 West 6th St.; Mr. George Von Davis, 2379 West 7th St.

West Park Community Council: Mr. John Ferrante, 17413 Bradgate; Rev. John F. Uhle, 15470 Triskett.

Mr. Speaker. At this time, I would like to call upon my colleagues in the U.S. House of Representatives to join with me in citing the Area Councils Association of Greater Cleveland and their outstanding president, George M. Edwards. Their exemplary work in the area of community affairs and human relations has done much to make Cleveland a vital and growing city. I would like to end my

statement with an Anonymous poem which appeared on the back cover of the good neighbors program booklet. I am certain that my colleagues will find that it conveys a challenging message:

THE DELINQUENT

We read in the papers and hear on the air Of killing and stealing and crimes everywhere.

We sigh and we say as we notice the trend "This young generation! Where will it all end?"

But can we be sure that it's their fault alone—

That maybe a part of it isn't our own?
Are we less guilty who place in their way
Too many things that can lead them astray?
Too much to spend and too much idle time;
Too many movies of passion and crime,
Too many books not fit to be read
Too much of evil in what they have said;
Too many juke-joints and too many bars;
Too many hot-rod and rattletap cars;
Too many reasons for children to roam
Because of too many parents who don't stay at home!

Our children are heirs to the sins we commit.
They couldn't go on if the older folks quit.
Kids don't make the movies, they don't write
the books that paint a gay picture of
gangsters and crooks;

Kids don't make the liquor; they don't run
the bars;

They don't make the laws and they don't
buy the cars;

They don't sell the reefers that addle the
brain;

That's all done by older folks greedy for gain.

Delinquent Teenager? Oh how we condemn,
decry, disparage and criticize them.

We're shocked at their morals; amazed at
their crimes

And grieve that we live in such perilous
times.

By the "Rule of the Blameless" that the
Savior made known—

"Who is there among us to cast the first
stone?"—Anonymous.

SENATE—Monday, August 23, 1976

The Senate met at 12 o'clock noon and was called to order by Hon. JAMES B. ALLEN, a Senator from the State of Alabama.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Almighty God, Lord of all the years, we thank Thee for this good land, for her rocks and rills, her woods and templed hills, her homes and schools and churches, for fields and factories, for diverse peoples with varied talents, for the institutions of government, and for those in every generation who undertake the stewardship of public office.

We thank Thee for this place, for its great moments in the past, for the work of the present, and for the promise of the future. May all who labor here be given grace and wisdom to meet great needs with daring deeds, to make decisions in accord with Thy will and thus set forward Thy kingdom on Earth.

We pray in His name, who is the Way, the Truth, and the Life. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. EASTLAND).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., August 23, 1976.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. JAMES B. ALLEN, a Senator from the State of Alabama, to perform the duties of the Chair during my absence.

JAMES O. EASTLAND,
President pro tempore.

Mr. ALLEN thereupon took the chair as Acting President pro tempore.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Tuesday, August 10, 1976, be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

WAIVER OF CALL OF CALENDAR

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the call of the legislative calendar, under rule VIII, be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Subcommittee on Manpower and Personnel of the Committee on Armed Services be authorized to meet today to consider the honor codes at the service academies; that the Committee on Foreign Relations be authorized to meet on August 24 to consider nominations, an international tin agreement, and S. 1439, and on August 26 for a briefing on the situation in the Aegean Sea; that the Committee on Commerce be authorized to meet on August 24 to consider nominations for

the Federal Communications Commission; that the Committee on Public Works be authorized to meet on August 25 to consider water pollution issues; that the Committee on the Judiciary be authorized to meet on August 24 to consider pending nominations; that the Committee on Interior and Insular Affairs be authorized to meet on August 26 to consider several bills relating to the Federal reclamation program and on August 27 to consider S. 3468; and that the Subcommittee on Antitrust and Monopoly of the Committee on the Judiciary be authorized to meet on August 26 concerning S. 3555.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

EXPRESSION OF SYMPATHY AND SUPPORT TO REPUBLIC OF THE PHILIPPINES

Mr. MANSFIELD. Mr. President, during the recess of the Senate a natural disaster of great magnitude took place in the Republic of the Philippines. An earthquake struck in the large southern island of Mindanao and surrounding regions. It was followed by a massive tidal wave which covered vast tracts of inhabited land. The death toll is said to be in the thousands—the latest figure is 8,000 dead—with many thousands more injured. Property damage is very widespread.

What the Philippine Republic has just experienced could befall any nation at any time. All national occupants are at the mercy of the sometimes erratic and devastating whims of the common environment of this planet.

That awareness alone is sufficient to arouse in the people of the United States a sense of shared sorrow for what has occurred in the Philippines. It also gives rise to an impulse to do whatever we can do to help in the present situation. In the case of the Filipino people, moreover, there are the continuing ties of the relationship which brought together the two nations at the turn of the 20th century and kept them together during the common suffering of the manmade disaster of World War II. Since the establishment of an independent Philippines in 1946, moreover, that relationship has evolved into an expanded appreciation of the individual dignity and worth of each nation by the other. The two nations now stand separately as is appropriate even though both stand on the common ground of a shared past.

May I say that that was all that was needed to stimulate the United States to offer to help the Philippines in the present tragic situation. It not only does us a grave disservice, but it is also somewhat contemptuous of the basic values of this Nation to suggest that this decent human impulse might be predicated on some crude political quid pro quo having to do with military base negotiations. Yet, that is the story, Mr. President, that now makes the rounds along the Asian littoral from which I have just returned. The press is not responsible for that story. The irresponsibility lies somewhere in the executive branch of this Govern-

ment. While the Department of State is to be commended for rejecting any such implication in the offer of help which went to the Philippines after the disaster, one would hope that the energy which has had to go into denials might have been spared for more positive purposes.

I note that the President of the Philippines has urged his people to draw on their own strength and determination to do the job of relief and reconstruction which is needed in the aftermath of the disaster. Speaking as one Member of the Senate, I wish to commend this initiative. It would be my hope, however, that the United States will make clear its human concern and that alone, or together with other nations, will still give whatever help is appropriate. The Senate can make clear where it stands, Mr. President, by adopting the resolution which on behalf of the minority leader and myself I now send to the desk.

The ACTING PRESIDENT pro tempore. The resolution will be stated.

The legislative clerk read as follows:

S. Res. 518

Whereas, the tragedy which natural disasters inflict on the people of any nation awakens the compassion of the peoples of all nations; and

Whereas, this compassion evokes an awareness of a universal unity, beyond all national and ideological dissensions;

Whereas, the Senate of the United States wishes to express its sorrow at the widespread death, injury and devastation caused by the massive earthquake and tidal wave in the southern reaches of the Republic of the Philippines.

Therefore, be it resolved,

(1) That the Senate of the United States extends its deepest sympathy to the people of the Republic of the Philippines;

(2) That the Senate supports fully and without reservation the supplying of such emergency assistance for the relief and rehabilitation of the victims of the recent earthquake and tidal wave as the President of the United States, in consultation with the government of the Republic of the Philippines deems feasible and appropriate in this hour of need and, solely on the basis of that need.

The Secretary of the Senate is directed to supply to the Secretary of State a copy of this resolution for transmittal to the government of the Republic of the Philippines.

The ACTING PRESIDENT pro tempore. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Mr. HUGH SCOTT. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield.

The ACTING PRESIDENT pro tempore. The Chair recognizes the distinguished Republican leader, Mr. HUGH SCOTT.

Mr. HUGH SCOTT. I first say at this point that I am in entire agreement with the action of the distinguished majority leader and have joined with him in the human expressions which he has just given us.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the resolution.

The resolution was agreed to.

The preamble was agreed to.

REMARKS OF THE PRESIDENT TO THE 1976 REPUBLICAN NATIONAL CONVENTION

Mr. HUGH SCOTT. Mr. President, I ask unanimous consent at this time that there be printed in the RECORD the speech of the President of the United States in accepting the nomination of the Republican Party for the Presidency.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

REMARKS OF THE PRESIDENT TO THE 1976 REPUBLICAN NATIONAL CONVENTION, KEMPER ARENA

Mr. Chairman, delegates and alternates of this Republican Convention:

I am honored by your nomination, and I accept it, with pride, with gratitude and with a total will to win a great victory for the American people. We will wage a winning campaign in every region of this country from the snowy banks of Minnesota to the sandy plains of Georgia.

We concede not a single State. We concede not a single vote. This evening I am proud to stand before this great Convention as the first incumbent since Dwight D. Eisenhower who can tell the American people: America is at peace.

Tonight, I can tell you straightaway this nation is sound, this nation is secure, this nation is on the march to full economic recovery, and a better quality of life for all Americans.

I will tell you one more thing. This year the issues are on our side. I am ready. I am eager to go before the American people and debate the real issues face to face with Jimmy Carter.

The American people have a right to know first hand exactly where both of us stand. I am deeply grateful to those who stood with me in winning the nomination of the party whose cause I have served all of my adult life. I respect the convictions of those who want a change in Washington. I want a change, too. After 22 years of majority misrule, let's change the United States Congress.

My gratitude tonight reaches far beyond this Arena to countless friends whose confidence, hard work and unselfish support have brought me to this moment. It would be unfair to single out anyone, but may I make an exception for my wonderful family—Mike, Jack, Steve and Susan, and especially my dear wife Betty.

We Republicans have had some tough competition. We not only preach the virtues of competition, we practice them. But tonight, we come together not on a battlefield to conclude a cease-fire, but to join forces on a training field that has conditioned us all for the rugged contest ahead.

Let me say this from the bottom of my heart. After the scrimmages of the past few months, it really feels good to have Ron Reagan on the same side of the line.

To strengthen our championship line-up, the Convention has wisely chosen one of the ablest Americans as our next Vice President, Senator Bob Dole of Kansas. With his help, with your help, with the help of millions of Americans who cherish peace, who want freedom preserved, prosperity shared, and pride in America, we will win this election.

I seek not a Republican victory, but a victory for the American people. You at home listening tonight, you are the people who pay the taxes and obey the laws. You are the people who make our system work. You are the people who make America what it is.

It is from your ranks that I come and on your side I stand. Something wonderful happened to this country of ours the past two years. We all came to realize it on the Fourth

of July. Together, out of years of turmoil and tragedy, wars and riots, assassinations and wrongdoing in high places, America recaptured the spirit of 1776.

We saw again the pioneer vision of our revolutionary founders and our immigrant ancestors. Their vision was of a free man and free woman enjoying a limited Government and unlimited opportunity.

The mandate I want in 1976 is to make this vision a reality, but it will take the voices and the votes of many more Americans who are not Republicans to make that mandate binding and my mission possible.

I have been called an unelected President, an accidental President. We may even hear that again from the other party, despite the fact that I was welcomed and endorsed by an overwhelming majority of their elected representatives in the Congress who certified my fitness to our highest office.

Having become Vice President and President without expecting or seeking either, I have a special feeling toward these high offices. To me, the Presidency and the Vice Presidency were not prizes to be won, but a duty to be done.

So, tonight, it is not the power and the glamor of the Presidency that leads me to ask for another four years. It is something every hard-working American will understand—the challenge of a job well begun, but far from finished.

Two years ago, on August 9, 1974, I placed my hand on the Bible, which Betty held, and took the same Constitutional oath that was administered to George Washington. I had faith in our people, in our institutions, and in myself.

"My fellow Americans," I said, "our long national nightmare is over. It was an hour in our history that troubled our minds and tore at our hearts." Anger and hatred had risen to dangerous levels, dividing friends and families. The polarization of our political order had aroused unworthy passions of reprisal and revenge. Our governmental system was closer to a stalemate than at any time since Abraham Lincoln took that same oath of office.

Our economy was in the throes of runaway inflation, taking us headlong into the worst recession since Franklin D. Roosevelt took the same oath. On that dark day I told my fellow countrymen, "I am acutely aware that you have not elected me as your President by your ballots, so I ask you to confirm me as your President with your prayers."

On a marble fireplace in the White House is carved a prayer which John Adams wrote. It concludes, "May none but honest and wise men ever rule under this roof."

Since I have resided in that historic house, I have tried to live by that prayer. I faced many tough problems. I probably made some mistakes, but on balance, America and Americans have made an incredible comeback since August, 1974.

Nobody can honestly say otherwise, and the plain truth is that the great progress we have made at home and abroad was in spite of the majority who run the Congress of the United States.

For two years, I have stood for all the people against a vote-hungry, free-spending Congressional majority on Capitol Hill. Fifty-five times I vetoed extravagant and unwise legislation; 45 times I made those vetoes stick. Those vetoes have saved American taxpayers billions and billions of dollars. I am against the big for the little taxpayer.

I called for a permanent tax cut, coupled with spending reductions, to stimulate the economy and relieve hard-pressed middle income taxpayers. Your personal exemption must be raised from \$750 to \$1,000.

The other party's platform talks about tax

reform, but there is one big problem—their own Congress won't act.

I called for reasonable Constitutional restrictions on court ordered busing of school children, but the other party's platform concedes that busing should be a last resort. But their's is the same problem—their own Congress won't act.

I called for a major overhaul of criminal laws to crack down on crime and illegal drugs. The other party's platform deplores America's \$80 billion cost of crime. There is the problem again—their own Congress won't act.

The other party's platform talks about a strong defense. Now, here is the other side of the problem—their own Congress did act. They slashed \$50 billion from our national defense needs in the last ten years.

My friends, Washington is not the problem, their Congress is the problem. You know, the President of the United States is not a magician who can wave a wand or sign a paper that will instantly win a war or cure a recession or make bureaucracy disappear. The President has immense powers under the Constitution, but all of them ultimately come from the American people and their mandate to him.

That is why, tonight, I turn to the American people and ask not only for your prayers, but also for your strength and your support, for your voice and for your vote. I come before you with a two-year record of performance, without your mandate. I offer you a four-year pledge of greater performance with your mandate.

As Governor Al Smith used to say, "Let's look at the record." Two years ago, inflation was 12 percent. Sales were off, plants were shut down, thousands were being laid off every week. Fear of the future was throttling down our economy and threatening millions of families.

Let's look at the record since August of 1974. Inflation has been cut in half. Payrolls are up. Profits are up. Production is up. Purchases are up. Since the recession was turned around, almost 4 million of our fellow Americans have found new jobs or got their old jobs back. This year, more men and women have jobs than ever before in the history of the United States.

Confidence has returned and we are in the full surge of sound recovery through steady prosperity. Two years ago, America was mired in withdrawal from Southeast Asia. A decade of Congresses had short-changed our global defenses and threatened our strategic posture. Mounting tension between Israel and the Arab nations made another war seem inevitable. The whole world watched and wondered where America was going. Did we, in our domestic turmoil, have the will, the stamina and the unity to stand up for freedom?

Look at the record since August, two years ago. Today, America is at peace and seeks peace for all nations. Not a single American is at war anywhere on the face of this earth tonight.

Our ties with Western Europe and Japan, economic as well as military, were never stronger. Our relations with Eastern Europe, the Soviet Union and Mainland China are firm, vigilant and forward-looking. Policies I have initiated offer sound progress for the peoples of the Pacific, Africa and Latin America.

Israel and Egypt, both trusting the United States, have taken an historic step that promises an eventual just settlement for the whole Middle East.

The world now respects America's policy of peace through strength. The United States is again the confident leader of the free world. Nobody questions our dedication to peace but nobody doubts our willingness to use our strength when our vital interests are at stake, and we will.

I called for an up to date, powerful Army, Navy, Air Force and Marines that will keep America secure for decades. A strong military posture is always the best insurance for peace. But America's strength has never rested on arms alone. It is rooted in our mutual commitment of our citizens and leaders in the highest standards of ethics and morality and in the spiritual renewal which our Nation is undergoing right now.

Two years ago, people's confidence in their highest officials, to whom they had overwhelmingly entrusted power, had twice been shattered. Losing faith in the word of their elected leaders. Americans lost some of their own faith in themselves.

Again, let us look at the record from August, 1974. From the start, my Administration has been open, candid, forthright. While my entire public and private life was under searching examination for the Vice Presidency, I reaffirmed my life-long conviction that truth is the glue that holds Government together—not only Government, but civilization, itself. I have demanded honesty, decency and permanent integrity from everybody in the Executive Branch of the Government. The House and Senate have the same duty.

The American people will not accept a double standard in the United States Congress. Those who make our laws today must not debate the reputation of our great legislative bodies which have given us such giants as Daniel Webster, Henry Clay, Sam Rayburn and Robert A. Taft.

Whether in the nation's capital, the State capital or city hall, private morality and public trust must go together. From August of 1974 to August of 1976, the record shows steady progress upward toward prosperity, peace and public trust.

My record is one of progress, not platitude. My record is one of specifics, not smiles. My record is one of performance, not promises. It is a record I am proud to run on. It is a record the American people—Democrat, Independent and Republicans alike—will support on November 2.

For the next four years I pledge to you that I will hold to the steady course we have begun. But, I have no intention of standing on the record alone. We will continue winning the fight against inflation. We will go on reducing the dead weight and impudence of bureaucracy.

We will submit a balanced budget by 1978. We will improve the quality of life at work and play and in our homes and in our neighborhoods. We will not abandon our cities. We will encourage urban programs which insure safety in the streets, create healthy environment and restore neighborhood pride.

We will return control of our children's education to parents and local school authorities. We will make sure that the party of Lincoln remains the party of equal rights. We will create a tax structure that is fair for all of our citizens, ones that preserve the continuity in the family home, the family farm and the family business.

We will ensure the integrity of the Social Security system and improve Medicare so that our older citizens can enjoy the health and happiness that they have earned. There is no reason they should have to go broke just to get well.

We will make sure that this rich nation does not neglect citizens who are less fortunate, but provide for their needs with compassion and with dignity. We will reduce the growth in the cost of Government and allow individual breadwinners and businesses to keep more of the money that they earn.

We will create a climate in which our economy will provide a meaningful job for everyone who wants to work and a decent standard of life for all Americans. We will insure that all our young people have a better

chance in life than we had, an education they can use and a career they can be proud of.

We will carry out a farm policy that assures a fair market price for the farmer, encourages full production, leads to record exports and eases the hunger within the human family. We will never use the bounty of America's farmers as a pawn in international diplomacy. There will be no embargoes.

We will continue our strong leadership to bring peace, justice, and economic progress where there is turmoil, especially in the Middle East. We will build a safe and saner world, through patient negotiations and dependable arms agreements which reduce the danger of conflict and horror of thermonuclear war.

While I am President, we will not return to a collision course that could reduce civilization to ashes. We will build an America where people feel rich in spirit as well as in worldly goods. We will build an America where people feel proud about themselves and about their country.

We will build on performance, not promises; experience, not expediency; real progress instead of mysterious plans to be revealed in some dim and distant future.

The American people are wise, wiser than our opponents think. They know who pays for every campaign promise. They are not afraid of the truth. We tell them the truth.

From start to finish, our campaign will be credible; it will be responsible. We will come out fighting, and we will win. Yes, we have all seen the polls and the pundits who say our party is dead. I have heard that before. So did Harry Truman. I will tell you what I think. The only polls that count are the polls the American people go to on November 2.

Right now, I predict that the American people are going to say that tonight, "Jerry, you have done a good job. Keep right on doing it."

As I try in my imagination to look into the homes where families are watching the end of this great Convention, I can't tell which faces are Republicans which are Democrats and which are Independent. I cannot see their color or their creed. I see only Americans.

I see Americans who love their husbands, their wives and their children. I see Americans who love their country for what it has been and what it must become. I see Americans who work hard, but who are willing to sacrifice all they have worked for to keep their children and their country free.

I see Americans who in their own quiet way pray for peace among nations and peace among themselves. We do love our neighbors and we do forgive those who have trespassed against us.

I see a new generation that knows what is right and knows itself, a generation determined to preserve its ideals, its environment, our nation and the world.

My fellow Americans, I like what I see. I have no fear for the future of this great country. As we go forward together, I promise you once more what I promised before: To uphold the Constitution, to do what is right as God gives me to see the right and to do the very best that I can for America.

God helping me, I won't let you down.

Thank you very much.

Mr. HUGH SCOTT. Mr. President, this is an extremely good speech. The common impression which I share seems to be that it is candid, it is a wholesome appeal to the American people, a statement of his fundamental beliefs, a calendar of achievement, and a proud record upon which to open this campaign.

The selection of one of our colleagues, the distinguished Senator from Kansas

(Mr. DOLE) has met with general approval.

It has indicated to me and, I think, to him, that this campaign will be vigorously conducted.

We have been twice honored in this body now in the selection by the Democratic candidate of our colleague Mr. MONDALE of Minnesota as his running mate.

These two Members of our body are both distinguished and articulate parliamentarians, speakers, orators both, and I am sure they will maintain the campaign on a level of brisk, acceptable, and accepted differences, but that the campaign, in my judgment, will be conducted on a plane which will give the American people a true insight into the issues which divide us as political parties.

The strength of our political system lies in our ability to disagree without being disagreeable; our willingness to submit our views to the electorate at stated intervals; our dependence upon and acceptance of the judgment of the electorate, and our complete joinder in the system which has contributed so much to the strength of the Nation. It is fundamentally and basically a two-party system, with the right of other candidates and other parties to be fully heard.

I am glad there are going to be debates. I think they will be in the context of the true issues, domestic, foreign, the Office of the Presidency itself.

We certainly hope all Members of our party will unite with the Members of the other party and independents in support of our candidate. We hope this will be the outcome. We recognize this is exactly the same hope shared in the other direction by those who oppose us, and I really look forward to an enlightening and informational campaign.

Mr. MANSFIELD. Mr. President, I wish to congratulate the President of the United States for having been nominated by his party at the convention in Kansas City, and also our colleague, Senator BOB DOLE, for having been selected by that same convention as his running mate.

While this will not be a reelection campaign for President Ford, I wish to emphasize that, somewhat contrary to the allegations which have been made that he is an unelected President, he is, in fact, an elected President because, under the Constitution, he had to have the approval of both the House and the Senate before he could be confirmed and, I dare say, in undergoing those proceedings, that no nominee for the Vice-Presidency has ever had his life and his background gone into so thoroughly.

So I would say, in effect, that he was elected by the representatives of the people who are themselves elected; that it was not an accident but rather in accord with the 25th amendment to the Constitution.

Regardless of the action taken last week, it is a relief to know that both parties have now had their nominees named and that the campaign will now get underway.

As of now I do not think it will make

much difference as far as the Democrats are concerned but, perhaps, with the passage of time that may change, although I do not anticipate that, but from now on we will be in the thick of the campaign. We hope that the best men will win, and I anticipate without reservation that the best men will be Democrats come this November.

Mr. HUGH SCOTT. Mr. President, reserving the right to disagree, and I do disagree, I believe there is a time and a place in which we can expand our differing views.

I have high hopes and great confidence in the nominees of the Republican Party. I think they have deserved well of the Republic, according to the old Latin saying, and under those circumstances, deserving well of the Republic, I believe they will deserve well of the people and retain their franchise.

PRIVILEGE OF THE FLOOR— H.R. 8603

Mr. HUGH SCOTT. Mr. President, I ask unanimous consent that Mr. Kenneth Butler of my staff be granted the privileges of the floor during the consideration of H.R. 8603, the Postal Act Amendments of 1976.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

THE NEW RIVER BILL—S. 158

Mr. HELMS. Mr. President, I wonder if the Senator from Montana will yield to me for a question.

Mr. MANSFIELD. Oh, surely.

Mr. HELMS. I thank the able Senator.

Can the Senator from Montana give the Senator from North Carolina any information as to when S. 158 will be acted upon by the Senate?

Mr. MANSFIELD. Is that the New River bill?

Mr. HELMS. Yes.

Mr. MANSFIELD. If the Senator will refer to the RECORD of August 10, it was indicated, hopefully—this is not ironclad because we have to have some flexibility—that during the week beginning August 30 we will try to get it up at that time. That would be before we would go out for the 2 or 3 days over Labor Day.

Mr. HELMS. I thank the Senator.

I just wanted the Senator to know that this Senator, who is the sponsor of the bill, is perfectly willing to enter into any time agreement which may be convenient with the leadership, anything from 30 minutes a side to decide on up or down.

Mr. MANSFIELD. The Senator has made his position known to the joint leadership several times. We have tried to reach a time agreement. We have been unsuccessful, so we will just have to take our chances. It will be through no fault of the Senator from North Carolina that we have been unable to obtain a time agreement.

Mr. HELMS. I thank the Senator.

MONTANA WILDERNESS STUDY ACT OF 1976

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate turn to the consideration of Calendar No. 968, which was passed by the Senate prior to the recess just concluded, but was then put back on the calendar.

The ACTING PRESIDENT pro tempore. The clerk will please state the bill by title.

The legislative clerk read as follows:

A bill (S. 393), to provide for the study of certain lands to determine their suitability for designation as wilderness in accordance with the Wilderness Act of 1964, and for other purposes.

The ACTING PRESIDENT pro tempore. Without objection, the Senate will proceed to the consideration of the bill.

The Senate proceeded to consider the bill which had been reported from the Committee on Interior and Insular Affairs with an amendment to strike out all after the enacting clause and insert the following:

That this Act may be cited as the "Montana Wilderness Study Act of 1976".

SEC. 2. (a) In furtherance of the purposes of the Wilderness Act (78 Stat. 890; 16 U.S.C. 1132), the Secretary of Agriculture (hereinafter known as the "Secretary") shall, within five years after the date of enactment of this Act, review certain lands designated by this section, as to their suitability for preservation as wilderness, and report his findings to the President, as follows:

(1) certain lands in the Beaverhead National Forest, Montana, which are generally depicted on a map entitled "West Pioneer Wilderness Study Area" and dated April 1976, comprising approximately one hundred and fifty-one thousand acres, which shall be known as the West Pioneer Wilderness Study Area;

(2) certain lands in the Beaverhead and Gallatin National Forests, Montana, which are generally depicted on a map entitled "Taylor-Hilgard Wilderness Study Area" dated April 1976, comprising approximately two hundred and eighty-nine thousand acres, which shall be known as the Taylor-Hilgard Wilderness Study Area;

(3) certain lands in the Bitterroot National Forest, Montana, which are generally depicted on a map entitled "Bluejoint Wilderness Study Area" and dated April 1976 comprising approximately sixty-one thousand acres, which shall be known as the Bluejoint Wilderness Study Area;

(4) certain lands in the Bitterroot and Deerlodge National Forests, Montana, which are generally depicted on a map entitled "Sapphire Wilderness Study Area" and dated April 1976, comprising approximately ninety-four thousand acres, which shall be known as the Sapphire Wilderness Study Area;

(5) certain lands in the Helena and Deerlodge National Forests, Montana, which are generally depicted on a map entitled "Elkhorn Wilderness Study Area" dated April 1976, comprising approximately seventy-seven thousand acres, which shall be known as the Elkhorn Wilderness Study Area;

(6) certain lands in the Kootenai National Forest, Montana, which are generally depicted on a map entitled "Ten Lakes Wilderness Study Area" and dated April 1976, comprising approximately thirty-four thousand acres, which shall be known as the Ten Lakes Wilderness Study Area;

(7) certain lands in the Lewis and Clark National Forest, Montana, which are generally depicted on a map entitled "Middle Fork Judith Wilderness Study Area" dated April 1976, comprising approximately eighty-one thousand acres, which shall be known as the Middle Fork Judith Wilderness Study Area;

(8) certain lands in the Lewis and Clark National Forest, Montana, which are generally depicted on a map entitled "Big Snowies Wilderness Study Area" and dated April 1976, comprising approximately ninety-one thousand acres, which shall be known as the Big Snowies Wilderness Study Area;

(9) certain lands in the Gallatin National Forest, Montana, which are generally depicted on a map entitled "Hyalite-Porcupine-Buffalo Horn Wilderness Study Area" and dated April 1976, comprising approximately one hundred and fifty-one thousand acres, which shall be known as the Hyalite-Porcupine-Buffalo Horn Wilderness Study Area; and

(10) certain lands in the Kootenai National Forest, Montana, which are generally depicted on a map entitled "Mt. Henry Wilderness Study Area" and dated April 1976, comprising approximately twenty-one thousand acres, which shall be known as the Mt. Henry Wilderness Study Area.

(b) The Secretary shall conduct his review and the President shall advise the United States Senate and House of Representatives of his recommendations, in accordance with the provisions of subsections 3(b) and 3(d) of the Wilderness Act, except that any reference in such subsections to areas in the national forests classified as "primitive" shall be deemed to be a reference to the wilderness study areas designated by this Act and except that the President shall advise the Congress of his recommendations with respect to such areas within seven years after the date of enactment of this Act: *Provided, however,* That the Secretary shall give at least sixty days' advance public notice of any hearing or other public meeting concerning such areas.

(c) The maps referred to in this section shall be on file and available for public inspection in the office of the Chief of the Forest Service, Department of Agriculture.

SEC. 3. (a) Except as otherwise provided by this section, and subject to existing private rights, the wilderness study areas designated by this Act shall, until Congress determines otherwise, be administered by the Secretary of Agriculture so as to maintain their presently existing wilderness character and potential for inclusion in the National Wilderness Preservation System.

(b) Nothing in this Act shall be construed as affecting the jurisdiction or responsibilities of the several States with respect to wildlife and fish in the national forests.

(c) Nothing herein contained shall (1) limit the President in proposing, as part of his recommendation to Congress, the alteration of existing boundaries of any wilderness study area or recommending the addition to any such area of any contiguous area predominantly of wilderness value, or (2) limit the authority of the Secretary of Agriculture to establish, protect, study, or make recommendations to the President and Congress with respect to additional wilderness study areas within national forests in the State of Montana.

SEC. 4. There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

UP AMENDMENT NO. 364

Mr. MANSFIELD. Mr. President, I send an amendment to the desk.

The ACTING PRESIDENT pro tempore. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Montana (Mr. MANSFIELD) proposes an unprinted amendment numbered 364: On page 10, line 7, immediately before the period, insert a colon and the following: "Provided, That nothing in this Act or any other law shall be construed to prohibit the Secretary of Agriculture from considering, acting on, and approving any application for the construction of a transmission line through the Cedar Creek area, Ennis to Lone Mountain, with a capacity of

not to exceed 161 Kv for the sole purpose of providing adequate and reliable electric service to the Big Sky complex and current electric power consumers in the Gallatin Valley (including allowance for future service to new residential or small commercial establishments in that area, or to prohibit any such construction based on such approval. In no event shall this proviso be construed as a precedent for any other construction of transmission lines through any other areas within the purview of this Act."

The ACTING PRESIDENT pro tempore. The question is on agreeing to the amendment.

The amendment was agreed to.

The ACTING PRESIDENT pro tempore. Are there further amendments? If not, the question is on agreeing to the committee amendment in the nature of a substitute, as amended.

The committee amendment, as amended, was agreed to.

The bill was ordered to be engrossed for a third reading, was read the third time, and, passed as follows:

S. 393

An act to provide for the study of certain lands to determine their suitability for designation as wilderness in accordance with the Wilderness Act of 1964, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Montana Wilderness Study Act of 1976".

SEC. 2. (a) In furtherance of the purposes of the Wilderness Act (78 Stat. 890; 16 U.S.C. 1132), the Secretary of Agriculture (hereinafter known as the "Secretary") shall, within five years after the date of enactment of this Act, review certain lands designated by this section, as to their suitability for preservation as wilderness, and report his findings to the President, as follows:

(1) certain lands in the Beaverhead National Forest, Montana, which are generally depicted on a map entitled "West Pioneer Wilderness Study Area" and dated April 1976, comprising approximately one hundred and fifty-one thousand acres, which shall be known as the West Pioneer Wilderness Study Area;

(2) certain lands in the Beaverhead and Gallatin National Forests, Montana, which are generally depicted on a map entitled "Taylor-Hilgard Wilderness Study Area" dated April 1976, comprising approximately two hundred and eighty-nine thousand acres, which shall be known as the Taylor-Hilgard Wilderness Study Area;

(3) certain lands in the Bitterroot National Forest, Montana, which are generally depicted on a map entitled "Bluejoint Wilderness Study Area" and dated April 1976 comprising approximately sixty-one thousand acres, which shall be known as the Bluejoint Wilderness Study Area;

(4) certain lands in the Bitterroot and Deerlodge National Forests, Montana, which are generally depicted on a map entitled "Sapphire Wilderness Study Area" and dated April 1976, comprising approximately ninety-four thousand acres, which shall be known as the Sapphire Wilderness Study Area;

(5) certain lands in the Helena and Deerlodge National Forests, Montana, which are generally depicted on a map entitled "Elkhorn Wilderness Study Area" dated April 1976, comprising approximately seventy-seven thousand acres, which shall be known as the Elkhorn Wilderness Study Area;

(6) certain lands in the Kootenai National Forest, Montana, which are generally depicted on a map entitled "Ten Lakes Wilderness Study Area" and dated April 1976, comprising approximately thirty-four thousand

acres, which shall be known as the Ten Lakes Wilderness Study Area;

(7) certain lands in the Lewis and Clark National Forest, Montana, which are generally depicted on a map entitled "Middle Fork Judith Wilderness Study Area" dated April 1976, comprising approximately eighty-one thousand acres, which shall be known as the Middle Fork Judith Wilderness Study Area;

(8) certain lands in the Lewis and Clark National Forest, Montana, which are generally depicted on a map entitled "Bib Snowies Wilderness Study Area" and dated April 1976, comprising approximately ninety-one thousand acres, which shall be known as the Big Snowies Wilderness Study Area;

(9) certain lands in the Gallatin National Forest, Montana, which are generally depicted on a map entitled "Hyalite-Porcupine-Buffalo Horn Wilderness Study Area" and dated April 1976, comprising approximately one hundred and fifty-one thousand acres, which shall be known as the Hyalite-Porcupine-Buffalo Horn Wilderness Study Area; and

(10) certain lands in the Kootenai National Forest, Montana, which are generally depicted on a map entitled "Mt. Henry Wilderness Study Area" and dated April 1976, comprising approximately twenty-one thousand acres, which shall be known as the Mt. Henry Wilderness Study Area.

(b) The Secretary shall conduct his review, and the President shall advise the United States Senate and House of Representatives of his recommendations, in accordance with the provisions of subsections 3(b) and 3(d) of the Wilderness Act, except that any reference in such subsections to areas in the national forests classified as "primitive" shall be deemed to be a reference to the wilderness study areas designated by this Act and except that the President shall advise the Congress of his recommendations with respect to such areas within seven years after the date of enactment of this Act: *Provided, however*, That the Secretary shall give at least sixty days' advance public notice of any hearing or other public meeting concerning such areas.

(c) The maps referred to in this section shall be on file and available for public inspection in the office of the Chief of the Forest Service, Department of Agriculture.

SEC. 3. (a) Except as otherwise provided by this section, and subject to existing private rights, the wilderness study areas designated by this Act shall, until Congress determines otherwise, be administered by the Secretary of Agriculture so as to maintain their presently existing wilderness character and potential for inclusion in the National Wilderness Preservation System: *Provided*, That nothing in this Act or any other law shall be construed to prohibit the Secretary of Agriculture from considering, acting on, and approving any application for the construction of a transmission line through the Cedar Creek area, Ennis to Lone Mountain, with a capacity of not to exceed 161 Kv for the sole purpose of providing adequate and reliable electric service to the Big Sky complex and current electric power consumers in the Gallatin Valley (including allowance for future service to new residential or small commercial establishments in that area, or to prohibit any such construction based on such approval. In no event shall this proviso be construed as a precedent for any other construction lines through any other areas within the purview of this Act.

(b) Nothing in this Act shall be construed as affecting the jurisdiction or responsibilities of the several States with respect to wildlife and fish in the national forests.

(c) Nothing herein contained shall (1) limit the President in proposing, as part of his recommendation to Congress, the alteration of existing boundaries of any wilder-

ness study area or recommending the addition to any such area of any contiguous area predominantly of wilderness value, or (2) limit the authority of the Secretary of Agriculture to establish, protect, study, or make recommendations to the President and Congress with respect to additional wilderness study areas within national forests in the State of Montana.

SEC. 4. There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I believe Mr. PELL is to be recognized at this time under an order.

The ACTING PRESIDENT pro tempore. That is correct.

Mr. ROBERT C. BYRD. I ask unanimous consent that Mr. PELL's time be allotted to Mr. STENNIS, or such time as Mr. STENNIS cares to use.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The Chair recognizes the distinguished Senator from the State of Mississippi (Mr. STENNIS).

THE WEST POINT HONOR SYSTEM

Mr. STENNIS. Mr. President, I thank the Chair and the distinguished Senator from West Virginia. I do not expect to use more than 4 or 5 minutes, anyway.

Mr. President, I have had a concern all the while and have a growing concern about the situation at the West Point Military Academy with reference to the continuation of the honor system and with reference to the alleged violations of the honor system. I have known for a long time, since I was in law school under an outstanding system of that kind, that the least said, the better; that we give things time in that field and they almost always work out.

I remember, some 8 or 9 years ago, being at the West Point Military Academy and I had the whole matter of the honor system explained to me by the cadets themselves. I remember the deep, intense pride that they had, the cadets had, in the system and their management thereof. I am speaking now, by the way, as an individual Senator. Our committee has not taken this up with the idea of legislating on it. The Senator from Georgia has held some hearings, but, as I understand him, we see it largely in the same way.

The situation there now is very grave, of course, Mr. President. I have decided to say something today in behalf of preserving the system as a continuing institution itself within that very fine academy and let the settling of the alleged violations that are there now be carried as a separate matter. I have no solution to that and I would not know how to counsel on it with my present knowledge. My plea today is, let us not let this matter there now kill the chance to have a system, a continuing honor system, that can operate.

Mr. President, Congress cannot create an honor system at West Point or anywhere else. Five hundred-odd members cannot operate it, the courts cannot operate it. There is some kind of appeal to one of the courts today. The courts

cannot operate it. The administration of the West Point Academy cannot create or operate an honor system. This thing must come from the cadets. It is a spiritual thing. It must come from them wherein they must have a desire to have an honor system. It must be operated by them. Unless they are going to do that, it will not work, in my humble opinion.

As I say, I had the lifelong benefit of having been under this system as a young man in law school. It must come out of the hearts and feelings and dedication and warmth of these men involved.

Of course, they must have guidance. They must have some oversight to a small degree, but it is their product and it is theirs to operate. Unless we can get it back on that track and put it up to these young men, then we are going to be disappointed and we shall fail to have a real honor system, and there is only one kind: that is one that works 100 percent.

I hope that whatever is done as to the present situation, the individuals involved will be handled, as far as possible, as somewhat of a separate item or a separate consideration of some kind of an interim period to make a new start. I have not consulted with anyone about this, even the Secretary of the Army. I did write to the Superintendent of the Academy, saying we expect him to do the right thing, which we believe he will do, early. These are just things that come up in my mind as an individual Member of this body.

I hope, as I say, that some arrangement will be made to take care of the present situation on an interim basis. If we give those cadets a chance to preserve, maintain, operate, and have the responsibility for the honor system—after all, they are young men, taken there on trial, a very rigid trial, for 4 years, to determine whether or not they will be suitable for officers for the decades ahead. They are not fully mature to career responsibilities. They are on trial, I mean. But they can carry this responsibility of honor and trust and fidelity and dedication. I think some of the very finest training that they can possibly receive comes from the honor system and their participation in it and everyone will have to have a part or it will not work.

I appreciate the indulgence of the membership to allow me to express myself as one Member of this body.

I hope that we can get away from the idea that Congress is going to do this or going to do that and there is no honor system and that we can create an education by 8 o'clock in the morning or have a mature, trained military man in a few days. I believe that this is impossible. We expect them to do their best there—the men and the administration. I know that this is a delicate matter and if it takes time beyond the next session to work out a satisfactory system, for those young people to work it out, it will be worth the effort so that we shall not be overcome and that they will not, either, that they will run this race with patience and deliberation. I believe they will find a way.

I thank the distinguished majority leader.

EXPRESSION OF SORROW OF THE SENATE WITH RESPECT TO THE DEATH OF HAZEL R. GARN

Mr. MANSFIELD. Mr. President, on behalf of the distinguished Senator from Utah (Mr. Moss) and the distinguished Senator from Nevada (Mr. LAXALT), I am sure that all their colleagues will join them and me in expressing their deepest sympathy to Senator GARN and his children on the loss of their beloved wife and mother, who was so suddenly and tragically taken from them last Tuesday.

Hazel Rhae Garn was, indeed, an exemplary woman. She devoted her life to the service and understanding of others. Her affection for youth and her competent leadership influenced her own four children and those of others. A faithful member of the Church of Jesus Christ of Latter-day Saints, she served for many years as president of the children's auxiliary in a Salt Lake City ward, and, until her death, as an adviser to a young adult auxiliary of the Mormon Church in McLean, Va., where the GARNs make their home.

Her empathic concern for others was evident in every phase of her life. She served on the board of directors for the Salt Lake Community Mental Health Center and volunteered for the American Red Cross. In addition, she was an active worker in the American Cancer Society. A member of the boards of directors for the Salt Lake and Fairfax units and the Utah Division, she was awarded the society's highest honor in 1974, the Devoted Leadership Award.

The loss of her talents, her abilities, and leadership is inestimable for the many who loved and respected Mrs. GARN and felt her affection in return. In this time of sorrow, the thoughts and hearts of the Members of the Senate are with Senator GARN and his family. I pray that God will bless and comfort them. I ask my colleagues to join me in conveying to them, in this resolution, the sympathy and concern of this body.

Those are the words of Senator Moss of Utah in which Senator LAXALT and I join.

Mr. President, I send this resolution to the desk on behalf of Senator Moss, Senator LAXALT and myself, as well as the minority leader (Mr. HUGH SCOTT), the assistant majority leader (Mr. ROBERT C. BYRD), the assistant Republican leader (Mr. GRIFFIN), the distinguished Senator from North Carolina (Mr. HELMS), the Senator from Alabama (Mr. SPARKMAN), the Senator from Virginia (Mr. HARRY F. BYRD, JR.), the Senator from Mississippi (Mr. STENNIS), and the Senator from Alabama (Mr. ALLEN), and ask for its immediate consideration.

The ACTING PRESIDENT pro tempore. The resolution will be stated by title.

The second assistant legislative clerk read as follows:

The Senator from Montana (Mr. MANSFIELD), on behalf of himself, and Senators MOSS, LAXALT, HUGH SCOTT, ROBERT C. BYRD,

GRIFFIN, HELMS, SPARKMAN, HARRY F. BYRD, JR., STENNIS, ALLEN, DOMENICI, MCCLURE, FANNIN, BUCKLEY, and BAKER, proposes the following resolution:

A resolution (S. Res. 519) expressing the sorrow of the Senate with respect to the death of Hazel R. GARN.

The ACTING PRESIDENT pro tempore. Is there objection to the present consideration of the resolution?

There being no objection, the resolution was considered and agreed to.

The resolution is as follows:

Resolved, That the Senate has learned with profound sorrow of the death of Hazel R. GARN, wife of the Senator from Utah, and expresses its deepest sympathy to Senator GARN and his family.

SEC. 2. The Secretary of the Senate shall transmit a copy of this resolution to Senator GARN and his family.

ROUTINE MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of routine morning business not to exceed 30 minutes, with statements therein limited to 5 minutes each.

ORDER FOR RECOGNITION OF SENATOR PELL ON WEDNESDAY, AUGUST 25, 1976

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that Mr. PELL be recognized for not to exceed 15 minutes on Wednesday after the recognition of the two leaders under the standing order.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATOR MOSS ON TUESDAY, AUGUST 24, 1976

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that Mr. Moss be recognized for not to exceed 15 minutes on tomorrow after the two leaders have been recognized.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

PRIVILEGE OF THE FLOOR— H.R. 8603

Mr. HARRY F. BYRD, JR. Mr. President, I ask unanimous consent that Joanne O'Neal of my staff be granted privilege of the floor during the consideration of the Postal Reorganization Act.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate now go into executive session to consider Calendar Nos. 7 and 8, Executive H and Executive I, 94th Congress, 2d session.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

INTERNATIONAL COFFEE AGREEMENT, 1976

PROTOCOLS FOR THE THIRD EXTENSION OF THE WHEAT TRADE CONVENTION AND FOOD AID CONVENTION CONSTITUTING THE INTERNATIONAL WHEAT AGREEMENT, 1971

The Senate, as in Committee of the Whole, proceeded to consider the following agreement and protocols, which were read the second time:

INTERNATIONAL COFFEE AGREEMENT 1976

PREAMBLE

The Governments Party to this Agreement, Recognising the exceptional importance of coffee to the economies of many countries which are largely dependent upon this commodity for their export earnings and thus for the continuation of their development programmes in the social and economic fields;

Considering that close international cooperation on trade in coffee will foster the economic diversification and development of coffee-producing countries, will improve the political and economic relations between producers and consumers and will provide for increasing consumption of coffee;

Recognising the desirability of avoiding disequilibrium between production and consumption which can give rise to pronounced fluctuations in prices harmful both to producers and to consumers;

Believing that international measures can assist in correcting the effects of such disequilibrium, as well as help to ensure an adequate level of earnings to producers through remunerative prices;

Noting the advantages derived from the international cooperation which resulted from the operation of the International Coffee Agreements 1962 and 1968;

Have agreed as follows:

CHAPTER I.—OBJECTIVES

Article 1

Objectives

The objectives of this Agreement are:

(1) to achieve a reasonable balance between world supply and demand on a basis which will assure adequate supplies of coffee at fair prices to consumers and markets for coffee at remunerative prices to producers and which will be conducive to long-term equilibrium between production and consumption;

(2) to avoid excessive fluctuations in the levels of world supplies, stocks and prices which are harmful to both producers and consumers;

(3) to contribute to the development of productive resources and to the promotion and maintenance of employment and income in Member countries, thereby helping to bring about fair wages, higher living standards and better working conditions;

(4) to increase the purchasing power of coffee-exporting countries by keeping prices in accordance with the provisions of paragraph (1) of this Article and by increasing consumption;

(5) to promote and increase the consumption of coffee by every possible means; and

(6) in general, in recognition of the relationship of the trade in coffee to the economic stability of markets for industrial products, to further international cooperation in connection with world coffee problems.

Article 2

General undertakings by members

(1) Members undertake to conduct their trade policy in such a way that the objectives

set out in Article 1 may be attained. They further undertake to achieve these objectives by strict observance of the obligations and provisions of this Agreement.

(2) Members recognise the need to adopt policies which will maintain prices at levels which will ensure adequate remuneration to producers and seek to ensure that prices of coffee to consumers will not hamper a desirable increase in consumption.

(3) Exporting Members undertake not to adopt or maintain any governmental measures which would permit the sale of coffee to non-members on terms commercially more favourable than those which they are prepared to offer at the same time to importing Members, taking into account normal trade practices.

(4) The Council shall review periodically compliance with the provisions of paragraph (3) of this Article and may require Members to supply appropriate information in accordance with the provisions of Article 53.

(5) Members recognise that Certificates of Origin are a vital source of information on the trade in coffee. During periods when quotas are suspended, the responsibility for ensuring the proper use of Certificates of Origin rests with exporting Members. However, importing Members, while under no obligation to demand that Certificates accompany consignments of coffee when quotas are not in effect, shall cooperate fully with the Organization in the collection and verification of Certificates relating to shipments of coffee received from exporting Member countries in order to ensure that the maximum information is available to all Members.

CHAPTER II—DEFINITIONS

Article 3 Definitions

For the purposes of this Agreement:

(1) "Coffee" means the beans and cherries of the coffee tree, whether parchment, green or roasted, and includes ground, decaffeinated, liquid and soluble coffee. These terms shall have the following meaning:

(a) "green coffee" means all coffee in the naked bean form before roasting;

(b) "dried coffee cherry" means the dried fruit of the coffee tree; to find the equivalent of dried coffee cherry to green coffee, multiply the net weight of the dried coffee cherry by 0.50;

(c) "parchment coffee" means the green coffee bean contained in the parchment skin; to find the equivalent of parchment coffee to green coffee, multiply the net weight of the parchment coffee by 0.80;

(d) "roasted coffee" means green coffee roasted to any degree and includes ground coffee; to find the equivalent of roasted coffee to green coffee, multiply the net weight of roasted coffee by 1.19;

(e) "decaffeinated coffee" means green, roasted or soluble coffee from which caffeine has been extracted; to find the equivalent of decaffeinated coffee to green coffee, multiply the net weight of the decaffeinated coffee in green, roasted or soluble form by 1.00, 1.19 or 3.00¹ respectively;

(f) "liquid coffee" means the water-soluble solids derived from roasted coffee and put into liquid form; to find the equivalent of liquid to green coffee, multiply the net weight of the dried coffee solids contained in the liquid coffee by 3.00¹;

(g) "soluble coffee" means the dried water-soluble solids derived from roasted coffee; to find the equivalent of soluble coffee to green coffee, multiply the net weight of the soluble coffee by 3.00.¹

¹ The conversion factor of 3.00 shall be reviewed and may be revised by the Council in the light of decisions taken by recognised international authorities.

(2) "Bag" means 60 kilogrammes or 132.276 pounds of green coffee; "tonne" means a metric tonne of 1,000 kilogrammes or 2,204.6 pounds; and "pound" means 453.597 grammes.

(3) "Coffee year" means the period of one year, from 1 October through 30 September.

(4) "Organization", "Council" and "Board" mean, respectively, the International Coffee Organization, the International Coffee Council and the Executive Board.

(5) "Member" means a Contracting Party, including an intergovernmental organization referred to in paragraph (3) of Article 4; a designated territory or territories in respect of which separate Membership has been declared under the provisions of Article 5; or two or more Contracting Parties or designated territories, or both, which participate in the Organization as a Member group under the provisions of Articles 6 or 7.

(6) "Exporting Member" or "exporting country" means a Member or country, respectively, which is a net exporter of coffee; that is, a Member or country whose exports exceed its imports.

(7) "Importing Member" or "importing country" means a Member or country, respectively, which is a net importer of coffee; that is, a Member or country whose imports exceed its exports.

(8) "Producing Member" or "producing country" means a Member or country, respectively, which grows coffee in commercially significant quantities.

(9) "Distributed simple majority vote" means a majority of the votes cast by exporting Members present and voting and a majority of the votes cast by importing Members present and voting, counted separately.

(10) "Distributed two-thirds majority vote" means a two-thirds majority of the votes cast by exporting Members present and voting and a two-thirds majority of the votes cast by importing Members present and voting, counted separately.

(11) "Entry into force" means, except as otherwise provided, the date on which this agreement enters into force, whether provisionally or definitively.

(12) "Exportable production" means the total production of coffee of an exporting country in a given coffee or crop year, less the amount destined for domestic consumption in the same year.

(13) "Availability for export" means the exportable production of an exporting country in a given coffee year, plus accumulated stocks from previous years.

(14) "Export entitlement" means the total quantity of coffee which a Member is authorised to export under the various provisions of this Agreement, but excluding exports which under the provisions of Article 44 are not charged to quota.

(15) "Shortfall" means the difference between the annual export entitlement of an exporting Member in a given coffee year and the amount of coffee which that Member has exported to quota markets in that coffee year.

CHAPTER III—MEMBERSHIP

Article 4

Membership in the organization

(1) Each Contracting Party, together with those territories to which this Agreement is extended under the provisions of paragraph (1) of Article 64, shall constitute a single Member of the Organization, except as otherwise provided for under the provisions of Articles 5, 6 and 7.

(2) A Member may change its category of Membership on such conditions as the Council may agree.

(3) Any reference in this Agreement to a Government shall be construed as including a reference to the European Economic Com-

munity, or any intergovernmental organization having comparable responsibilities in respect of the negotiation, conclusion and application of international agreements, in particular commodity agreements.

(4) Such intergovernmental organization shall not itself have any votes but in the case of a vote on matters within its competence it shall be entitled to cast collectively the votes of its member States. In such cases, the member States of such intergovernmental organization shall not be entitled to exercise their individual voting rights.

(5) The provisions of paragraph (1) of Article 16 shall not apply to such intergovernmental organization but it may participate in the discussions of the Executive Board on matters within its competence. In the case of a vote on matters within its competence, and notwithstanding the provisions of paragraph (1) of Article 19, the votes which its member States are entitled to cast in the Executive Board may be cast collectively by any one of those member States.

Article 5

Separate membership in respect of designated territories

Any Contracting Party which is a net importer of coffee may, at any time, by appropriate notification in accordance with the provisions of paragraph (2) of Article 64, declare that it is participating in the Organization separately with respect to any of the territories for whose international relations it is responsible, which are net exporters of coffee and which it designates. In such case, the metropolitan territory and its non-designated territories will have a single Membership, and its designated territories, either individually or collectively as the notification indicates, will have separate Membership.

Article 6

Group membership upon joining the organization

(1) Two or more Contracting Parties which are net exporters of coffee may, by appropriate notification to the Council and to the Secretary-General of the United Nations at the time of deposit of their respective instruments of approval, ratification, acceptance or accession, declare that they are joining the Organization as a Member group. A territory to which this Agreement has been extended under the provisions of paragraph (1) of Article 64 may constitute part of such Member group if the Government of the State responsible for its international relations has given appropriate notification thereof under the provisions of paragraph (2) of Article 64. Such Contracting Parties and designated territories must satisfy the following conditions:

(a) they shall declare their willingness to accept responsibility for group obligations in an individual as well as a group capacity;

(b) they shall subsequently provide satisfactory evidence to the Council that:

(i) the group has the organization necessary to implement a common coffee policy and that they have the means of complying, together with the other parties to the group, with their obligations under this Agreement; and that either

(ii) they have been recognised as a group in a previous international coffee agreement; or

(iii) they have a common or coordinated commercial and economic policy in relation to coffee and a coordinated monetary and financial policy, as well as the organs necessary to implement such policies, so that the Council is satisfied that the Member group is able to comply with the group obligations involved.

(2) The Member group shall constitute a single Member of the Organization, except that each party to the group shall be tested as if it were a single Member in relation to

matters arising under the following provisions:

(a) Articles 11, 12 and 20 of Chapter IV;
(b) Articles 50 and 51 of Chapter VIII;
and

(c) Article 67 of Chapter X.

(3) The Contracting Parties and designated territories joining as a Member group shall specify the Government or organization which will represent them in the Council on matters arising under this Agreement other than those specified in paragraph (2) of this Article.

(4) The voting rights of the Member group shall be as follows:

(a) the Member group shall have the same number of basic votes as a single Member country joining the Organization in an individual capacity. These basic votes shall be attributed to and cast by the Government or organization representing the group; and

(b) in the event of a vote on any matters arising under the provisions of paragraph (2) of this Article, the parties to the Member group may cast separately the votes attributed to them under the provisions of paragraphs (3) and (4) of Article 13 as if each were an individual Member of the Organization, except for the basic votes, which shall remain attributable only to the Government or organization representing the group.

(5) Any Contracting Party or designated territory which is a party to a Member group may, by notification to the Council, withdraw from that group and become a separate Member. Such withdrawal shall take effect upon receipt of the notification by the Council. If a party to a Member group withdraws from that group or ceases to participate in the Organization, the remaining parties to the group may apply to the Council to maintain the group; the group shall continue to exist unless the Council disapproves the application. If the Member group is dissolved, each former party to the group will become a separate Member. A Member which has ceased to be a party to a group may not, as long as this Agreement remains in force, again become a party to a group.

Article 7

Subsequent Group Membership

Two or more exporting Members may, at any time after this Agreement has entered into force, apply to the Council to form a Member group. The Council shall approve the application if it finds that the Members have made a declaration and have provided satisfactory evidence in accordance with the requirements of paragraph (1) of Article 6. Upon such approval, the Member group shall be subject to the provisions of paragraphs (2), (3), (4) and (5) of that Article.

CHAPTER IV.—ORGANIZATION AND ADMINISTRATION

Article 8

Seat and Structure of the International Coffee Organization

(1) The International Coffee Organization established under the 1962 Agreement shall continue in being to administer the provisions and supervise the operation of this Agreement.

(2) The seat of the Organization shall be in London unless the Council by a distributed two-thirds majority vote decide otherwise.

(3) The Organization shall function through the International Coffee Council, the Executive Board, the Executive Director and the staff.

Article 9

Composition of the International Coffee Council

(1) The highest authority of the Organization shall be the International Coffee Council,

which shall consist of all the Members of the Organization.

(2) Each Member shall appoint one representative on the Council and, if it so desires, one or more alternates. A Member may also designate one or more advisers to its representative or alternates.

Article 10

Powers and Functions of the Council

(1) All powers specifically conferred by this Agreement shall be vested in the Council, which shall have the powers and perform the functions necessary to carry out the provisions of this Agreement.

(2) The Council shall, by a distributed two-thirds majority vote, establish such rules and regulations, including its own rules of procedure and the financial and staff regulations of the Organization, as are necessary to carry out the provisions of this Agreement and are consistent therewith. The Council may, in its rules of procedure, provide the means whereby it may, without meeting, decide specific questions.

(3) The Council shall also keep such records as are required to perform its functions under this Agreement and such other records as it considers desirable.

Article 11

Election of the chairman and vice-chairmen of the Council

(1) The Council shall elect, for each coffee year, a Chairman and a first, a second and a third Vice-Chairman.

(2) As a general rule, the Chairman and the first Vice-Chairman shall both be elected either from among the representatives of exporting Members or from among the representatives of importing Members and the second and the third Vice-Chairmen shall be elected from among representatives of the other category of Member. These offices shall alternate each coffee year between the two categories of Member.

(3) Neither the Chairman nor any Vice-Chairman acting as Chairman shall have the right to vote. His alternate will in such case exercise the voting rights of the Member.

Article 12

Sessions of the Council

As a general rule, the Council shall hold regular sessions twice a year. It may hold special sessions should it so decide. Special sessions shall also be held at the request of the Executive Board, of any five Members, or of a Member or Members having at least 200 votes. Notice of sessions shall be given at least thirty days in advance except in cases of emergency. Sessions shall be held at the seat of the Organization, unless the Council decides otherwise.

Article 13

Votes

(1) The exporting Members shall together hold 1,000 votes and the importing Members shall together hold 1,000 votes, distributed within each category of Member—that is, exporting and importing Members, respectively—as provided for in the following paragraphs of this Article.

(2) Each Member shall have five basic votes, provided that the total number of basic votes within each category of Member does not exceed 150. Should there be more than thirty exporting Members or more than thirty importing Members, the number of basic votes for each Member within that category of Member shall be adjusted so as to keep the number of basic votes for each category of Member within the maximum of 150.

(3) Exporting Members listed in Annex 1 as having an initial annual export quota of 100,000 bags of coffee or more but less than 400,000 bags shall, in addition to the basic votes, have the number of votes attributed to them in column 2 of Annex 1. If any export-

ing Member referred to in this paragraph elects to have a basic quota under the provisions of paragraph (5) of Article 31, the provisions of this paragraph shall cease to apply to it.

(4) Subject to the provisions of Article 32, the remaining votes of exporting Members shall be divided among those Members having a basic quota in proportion to the average volume of their respective exports of coffee to importing Members in coffee years 1968/69 to 1971/72 inclusive. This will constitute the basis of voting for the exporting Members concerned until 31 December 1977. With effect from 1 January 1978 the remaining votes of exporting Members having a basic quota be calculated in proportion to the average volume of their respective exports of coffee to importing Members as follows:

With effect from January 1, and coffee years:

1978—1969/70, 1970/71, 1971/72, 1976/77.

1979—1970/71, 1971/72, 1976/77, 1977/78.

1980—1971/72, 1976/77, 1977/78, 1978/79.

1981—1976/77, 1977/78, 1978/79, 1979/80.

1982—1977/78, 1978/79, 1979/80, 1980/81.

(5) The remaining votes of importing Members shall be divided among those Members in proportion to the average volume of their respective coffee imports in the preceding three calendar years.

(6) The distribution of votes shall be determined by the Council in accordance with the provisions of this Article at the beginning of each coffee year and shall remain in effect during that year, except as provided for in paragraphs (4) and (7) of this Article.

(7) The Council shall provide for the redistribution of votes in accordance with the provisions of this Article whenever there is a change in the Membership of the Organization, or if the voting rights of a Member are suspended or regained under the provisions of Articles 26, 42, 45 or 58.

(8) No Member shall hold more than 400 votes.

(9) There shall be no fractional votes.

Article 14

Voting procedure of the Council

(1) Each Member shall be entitled to cast the number of votes it holds and shall not be entitled to divide its votes. However, a Member may cast differently any votes which it holds under the provisions of paragraph (2) of this Article.

(2) Any exporting Member may authorize any other exporting Member, and any importing Member may authorize any other importing Member, to represent its interests and to exercise its right to vote at any meeting or meetings of the Council. The limitation provided for in paragraph (8) of Article 13 shall not apply in this case.

Article 15

Decisions of the Council

(1) All decisions of the Council shall be taken, and all recommendations shall be made, by a distributed simple majority vote unless otherwise provided for in this Agreement.

(2) The following procedure shall apply with respect to any decision by the Council which under the provisions of this Agreement requires a distributed two-thirds majority vote:

(a) if a distributed two-thirds majority vote is not obtained because of the negative vote of three or less exporting or three or less importing Members, the proposal shall, if the Council so decides by a majority of the Members present and by a distributed simple majority vote, be put to a vote again within 48 hours;

(b) if a distributed two-thirds majority vote is again not obtained because of the negative vote of two or less importing or two or less exporting Members, the proposal shall, if the Council so decides by a majority of the

Members present and by a distributed simple majority vote, be put to a vote again within 24 hours;

(c) If a distributed two-thirds majority vote is not obtained in the third vote because of the negative vote of one exporting Member or one importing Member, the proposal shall be considered adopted; and

(d) If the Council fails to put a proposal to a further vote, it shall be considered rejected.

(3) Members undertake to accept as binding all decisions of the Council under the provisions of this Agreement.

Article 16

Composition of the Board

(1) The Executive Board shall consist of eight exporting Members and eight importing Members elected for each coffee year in accordance with the provisions of Article 17. Members may be re-elected.

(2) Each member of the Board shall appoint one representative and, if it so desires, one or more alternates. Each member may also designate one or more advisers to its representative or alternates.

(3) The Executive Board shall have a Chairman and Vice-Chairman who shall be elected by the Council for each coffee year and may be re-elected. Neither the Chairman nor a Vice-Chairman acting as Chairman shall have the right to vote. If a representative is elected Chairman or if a Vice-Chairman is acting as Chairman, his alternate will have the right to vote in his place. As a general rule, the Chairman and the Vice-Chairman for each coffee year shall be elected from among the representatives of the same category of Member.

(4) The Board shall normally meet at the seat of the Organization but may meet elsewhere.

Article 17

Election of the Board

(1) The exporting and the importing members of the Board shall be elected in the Council by the exporting and the importing Members of the Organization respectively. The election within each category shall be held in accordance with the provisions of the following paragraphs of this Article.

(2) Each Member shall cast for a single candidate all the votes to which it is entitled under the provisions of Article 13. A Member may cast for another candidate any votes which it holds under the provisions of paragraph (2) of Article 14.

(3) The eight candidates receiving the largest number of votes shall be elected; however, no candidate shall be elected on the first ballot unless it receives at least 75 votes.

(4) If, under the provisions of paragraph (3) of this Article, less than eight candidates are elected on the first ballot, further ballots shall be held in which only Members which did not vote for any of the candidates elected shall have the right to vote. In each further ballot the minimum number of votes required for election shall be successively diminished by five until eight candidates are elected.

(5) Any Member which did not vote for any of the Members elected shall assign its votes to one of them, subject to the provisions of paragraphs (6) and (7) of this Article.

(6) A Member shall be deemed to have received the number of votes cast for it when it was elected and, in addition, the number of votes assigned to it, provided that the total number of votes shall not exceed 499 for any Member elected.

(7) If the votes deemed received by an elected Member exceed 499, Members which voted for or assigned their votes to such elected Member shall arrange among them-

selves for one or more of them to withdraw their votes from that Member and assign or re-assign them to another elected Member so that the votes received by each elected Member shall not exceed the limit of 499.

Article 18

Competence of the Board

(1) The Board shall be responsible to and work under the general direction of the Council.

(2) The Council may, by a distributed two-thirds majority vote, delegate to the Board the exercise of any or all of its powers other than the following:

(a) approval of the administrative budget and assessment of contributions under the provisions of Article 25;

(b) suspension of the voting rights of a Member under the provisions of Articles 45 or 58;

(c) waiver of the obligations of a Member under the provisions of Article 56;

(d) decisions on disputes under the provisions of Article 53;

(e) establishment of conditions for accession under the provisions of Article 62;

(f) a decision to require the exclusion of a Member under the provisions of Article 66;

(g) a decision concerning renegotiation, extension or termination of this Agreement under the provisions of Article 68; and

(h) recommendation of amendments to Members under the provisions of Article 69.

(3) The Council may, by a distributed simple majority vote, at any time revoke any powers which have been delegated to the Board.

Article 19

Voting procedure of the Board

(1) Each member of the Board shall be entitled to cast the number of votes received by it under the provisions of paragraphs (6) and (7) of Article 17. Voting by proxy shall not be allowed. A member of the Board shall not be entitled to divide its votes.

(2) Any decision taken by the Board shall require the same majority as such decision would require if taken by the Council.

Article 20

Quorum for the Council and the Board

(1) The quorum for any meeting of the Council shall be the presence of a majority of the Members representing a distributed two-thirds majority of the total votes. If there is no quorum at the time appointed for the commencement of any Council meeting, the Chairman of the Council may decide to postpone the opening time of the meeting for at least three hours. If there is no quorum at the new time set, the Chairman may again defer the opening time of the Council meeting for at least a further three hours. This procedure may be repeated until a quorum is present at the appointed time. Representation in accordance with the provisions of paragraph (2) of Article 14 shall be considered as presence.

(2) The quorum for any meeting of the Board shall be the presence of a majority of the members representing a distributed two-thirds majority of the total votes.

Article 21

The Executive Director and the staff

(1) The Council shall appoint the Executive Director on the recommendation of the Board. The terms of appointment of the Executive Director shall be established by the Council and shall be comparable to those applying to corresponding officials of similar intergovernmental organizations.

(2) The Executive Director shall be the chief administrative officer of the Organization and shall be responsible for the performance of any duties devolving upon him in the administration of this Agreement.

(3) The Executive Director shall appoint the staff in accordance with regulations established by the Council.

(4) Neither the Executive Director nor any member of the staff shall have any financial interest in the coffee industry, coffee trade or the transportation of coffee.

(5) In the performance of their duties, the Executive Director and the staff shall not seek or receive instructions from any Member or from any other authority external to the Organization. They shall refrain from any action which might reflect on their position as international officials responsible only to the Organization. Each Member undertakes to respect the exclusively international character of the responsibilities of the Executive Director and the staff and not to seek to influence them in the discharge of their responsibilities.

Article 22

Cooperation with other organizations

The Council may make whatever arrangements are desirable for consultation and cooperation with the United Nations and its specialized agencies and with other appropriate intergovernmental organizations. The Council may invite these organizations and any organizations concerned with coffee to send observers to its meetings.

CHAPTER V.—PRIVILEGES AND IMMUNITIES

Article 23

Privileges and immunities

(1) The Organization shall have legal personality. It shall in particular have the capacity to contract, acquire and dispose of movable and immovable property and to institute legal proceedings.

(2) The status, privileges and immunities of the Organization, of its Executive Director, its staff and experts, and of representatives of Members while in the territory of the United Kingdom of Great Britain and Northern Ireland for the purpose of exercising their functions, shall continue to be governed by the Headquarters Agreement concluded between the Government of the United Kingdom of Great Britain and Northern Ireland (hereinafter referred to as the host Government) and the Organization on 28 May 1969.

(3) The Headquarters Agreement referred to in paragraph (2) of this Article shall be independent of this Agreement. It shall however terminate:

(a) by agreement between the host Government and the Organization;

(b) in the event of the headquarters of the Organization being moved from the territory of the host Government; or

(c) in the event of the Organization ceasing to exist.

(4) The Organization may conclude with one or more other Members agreements to be approved by the Council relating to such privileges and immunities as may be necessary for the proper functioning of this Agreement.

(5) The Governments of Member countries other than the host Government shall grant the Organization the same facilities in respect of currency or exchange restrictions, maintenance of bank accounts and transfer of monies, as are accorded to the specialized agencies of the United Nations.

CHAPTER VI.—FINANCE

Article 24

Finance

(1) The expenses of delegations to the Council, representatives on the Board and representatives on any of the committees of the Council or the Board shall be met by their respective Governments.

(2) The other expenses necessary for the administration of this Agreement shall be met by annual contributions from the Members assessed in accordance with the provi-

sions of Article 25. However, the Council may levy fees for specific services.

(3) The financial year of the Organization shall be the same as the coffee year.

Article 25

Determination of the budget and assessment of contributions

(1) During the second half of each financial year, the Council shall approve the administrative budget of the Organization for the following financial year and shall assess the contribution of each Member to that budget.

(2) The contribution of each Member to the budget for each financial year shall be in the proportion which the number of its votes at the time the budget for that financial year is approved bears to the total votes of all the Members. However, if there is any change in the distribution of votes among Members in accordance with the provisions of paragraph (6) of Article 13 at the beginning of the financial year for which contributions are assessed, such contributions shall be correspondingly adjusted for that year. In determining contributions, the votes of each Member shall be calculated without regard to the suspension of the voting rights of any Member or any redistribution of votes resulting therefrom.

(3) The initial contribution of any Member joining the Organization after the entry into force of this Agreement shall be assessed by the Council on the basis of the number of votes to be held by it and the period remaining in the current financial year, but the assessments made upon other Members of the current financial year shall not be altered.

Article 26

Payment of contributions

(1) Contributions to the administrative budget for each financial year shall be payable in freely convertible currency and shall become due on the first day of that financial year.

(2) If any Member fails to pay its full contribution to the administrative budget within six months of the date on which the contribution is due, both its voting rights in the Council and its right to have its votes cast in the Board shall be suspended until such contribution has been paid. However, unless the Council by a distributed two-thirds majority vote so decides, such Member shall not be deprived of any of its other rights nor relieved of any of its obligations under this Agreement.

(3) Any Member whose voting rights have been suspended either under the provisions of paragraph (2) of this Article or under the provisions of Articles 42, 45 or 58 shall nevertheless remain responsible for the payment of its contribution.

Article 27

Audit and publication of accounts

As soon as possible after the close of each financial year, an independently audited statement of the Organization's receipts and expenditures during that financial year shall be presented to the Council for approval and publication.

CHAPTER VII.—REGULATION OF EXPORTS AND IMPORTS

Article 28

General provisions

(1) All decisions of the Council under the provisions of this Chapter shall be adopted by a distributed two-thirds majority vote.

(2) The word "annual" in this Chapter shall mean any period of twelve months established by the Council. However, the Council may adopt procedures for applying the provisions of this Chapter for a period longer than twelve months.

Article 29

Markets subject to quota

For the purpose of this Agreement, the world coffee market shall be divided into Member quota and non-member non-quota markets.

Article 30

Basic quotas

(1) Each exporting Member shall, subject to the provisions of Articles 31 and 32, be entitled to a basic quota calculated in accordance with the provisions of this Article.

(2) If, under the provisions of Article 33, quotas come into effect during coffee year 1976/77, the basic quota to be used for the distribution of the fixed part of the quotas shall be calculated on the basis of the average volume of the annual exports of each exporting Member to importing Members in coffee years 1968/69 to 1971/72. This distribution of the fixed part shall remain in effect until the quotas are suspended for the first time under the provisions of Article 33.

(3) If quotas are not introduced in coffee year 1976/77 but come into effect during coffee year 1977/78, the basic quota to be used for the distribution of the fixed part of the quotas shall be calculated by selecting for each exporting Member the higher of the following:

(a) the volume of its exports to importing Members during coffee year 1976/77 calculated on the basis of information obtained from Certificates of Origin; or

(b) the figure resulting from the application of the procedure established in paragraph (2) of this Article.

This distribution of the fixed part shall remain in effect until the quotas are suspended for the first time under the provisions of Article 33.

(4) If quotas come into effect for the first time or are reintroduced during coffee year 1978/79, or at any time thereafter, the basic quota to be used for the distribution of the fixed part of the quotas shall be calculated by selecting for each exporting Member the higher of the following:

(a) the average of the volume of its exports to importing Members for coffee years 1976/77 and 1977/78 calculated on the basis of information obtained from Certificates of Origin; or

(b) the figure resulting from the application of the procedure established in paragraph (2) of this Article.

(5) If quotas are introduced under the provisions of paragraph (2) of this Article and subsequently suspended, their reintroduction during coffee year 1977/78 shall be governed by the provisions of paragraph (3) of this Article and paragraph (1) of Article 35. The reintroduction of quotas during coffee year 1978/79, or at any time thereafter, shall be governed by the provisions of paragraph (4) of this Article and paragraph (1) of Article 35.

Article 31

Exporting members exempt from basic quotas

(1) Subject to the provisions of paragraphs (4) and (5) of this Article, a basic quota shall not be allocated to the exporting Members listed in Annex 1. Subject to the provisions of Article 33, in coffee year 1976/77 these Members shall have the initial annual export quotas set out in column 1 of that Annex. Subject to the provisions of paragraph (2) of this Article and to those of Article 33, the quota of these Members in each of the subsequent coffee years shall be increased by:

(a) 10 percent of the initial annual export quota in the case of Members whose initial

annual export quota is less than 100,000 bags; and

(b) 5 percent of the initial annual export quota in the case of Members whose initial annual export quota is 100,000 bags or more but less than 400,000 bags.

These annual increments shall be deemed, for the purpose of setting the annual quota of the Members concerned whenever quotas are introduced or reintroduced under the provisions of Article 33, to have been effective from the entry into force of this Agreement.

(2) Not later than 31 July of each year, each Member referred to in paragraph (1) of this Article shall notify the Council of the amount of coffee it is likely to have available for export during the next coffee year. The quota for the next coffee year shall be the amount thus indicated by the exporting Member, provided that such amount is within the permissible limit defined in paragraph (1) of this Article.

(3) When the annual quota of an exporting Member having an initial annual export quota of less than 100,000 bags reaches or exceeds the maximum of 100,000 bags referred to in paragraph (1) of this Article, the Member shall thereafter be subject to the provisions applicable to exporting Members whose initial annual export quotas are 100,000 bags or more but less than 400,000 bags.

(4) When the annual quota of an exporting Member having an initial annual export quota of less than 400,000 bags reaches the maximum of 400,000 bags referred to in paragraph (1) of this Article, the Member shall thereafter be subject to the provisions of Articles 35 and the Council shall set a basic quota for such Member.

(5) Any exporting Member listed in Annex 1 which exports 100,000 bags or more may, at any time request the Council to establish a basic quota for it.

(6) Members whose annual quotas are less than 100,000 bags shall not be subject to the provisions of Articles 36 and 37.

Article 32

Provisions for the adjustment of basic quotas

(1) If an importing country which was neither a member of the International Coffee Agreement 1968 nor of the International Coffee Agreement 1968 as Extended becomes a Member of this Agreement, the Council shall adjust the basic quotas resulting from the application of the provisions of Article 30.

(2) The adjustment referred to in paragraph (1) of this Article shall take into account either the average exports of individual exporting Members to the importing country concerned during the period 1968 to 1972 or the proportionate share of individual exporting Members in the average imports of that country during the same period.

(3) The Council shall approve the data to be used as a basis for the calculations necessary for the adjustment of basic quotas, as well as the criteria to be followed for the purpose of applying the provisions of this Article.

Article 33

Provisions for the introduction, suspension and reintroduction of quotas

(1) Unless the Council decides otherwise, quotas shall come into effect at any time during the life of this Agreement if:

(a) the composite indicator price remains on average, for 20 consecutive market days, at or below the ceiling of the price range currently in effect established by the Council under the provisions of Article 38;

(b) in the absence of a decision by the Council to establish a price range:

(1) the average of the indicator prices for

Other Mild and Robusta coffees remains on average, for 20 consecutive market days, at or below the average of these prices for calendar year 1975 as maintained by the Organization during the life of the International Coffee Agreement 1968 as Extended; or

(1) subject to the provisions of paragraph (2) of this Article shall be reviewed and may price calculated under the provisions of Article 38 remains on average, for 20 consecutive market days, 15 percent or more below the average composite indicator price for the preceding coffee year during which this Agreement was in force.

Notwithstanding the preceding provisions of this paragraph, quotas shall not come into effect on the entry into force of this Agreement unless the average of the indicator prices for Other Mild and Robusta coffees remains on average, for the 20 consecutive market days immediately preceding that date, at or below the average of these prices for calendar year 1975.

(2) Notwithstanding the provisions of subparagraph (b) (1) of paragraph (1) of this Article, quotas shall not come into effect, unless the Council decides otherwise, if the average of the indicator prices for Other Mild and Robusta coffees remains on average, for 20 consecutive market days, 22.5 percent or more above the average of these prices for calendar year 1975.

(3) The prices specified in subparagraph (b) (1) of paragraph (1) and in paragraph (2) of this Article shall be reviewed and may be revised by the Council prior to 30 September 1978 and to 30 September 1980.

(4) Unless the Council decides otherwise, quotas shall be suspended:

(a) if the composite indicator price remains on average, for 20 consecutive market days, 15 percent above the ceiling of the price range established by the Council and currently in force; or

(b) in the absence of a decision by the Council to establish a price range, if the composite indicator price remains on average, for 20 consecutive market days, 15 percent or more above the average composite indicator price recorded during the preceding calendar year.

(5) Unless the Council decides otherwise, quotas shall be reintroduced, after suspension under the provisions of paragraph (4) of this Article, in accordance with the provisions of paragraphs (1), (2) and (6).

(6) Whenever the relevant price conditions referred to in paragraph (1) of this Article are met, and subject to the provisions of paragraph (2) of this Article, quotas shall come into effect as soon as possible and in any event not later than the quarter following the fulfillment of the relevant price conditions. The quotas shall, except as otherwise provided for this Agreement, be fixed for a period of four quarters. If the global annual and quarterly quotas have not previously been established by the Council, the Executive Director shall set a quota on the basis of the disappearance of coffee in quota markets, estimated in accordance with the criteria established in Article 34; such quota shall be allocated to exporting Members in accordance with the provisions of Articles 31 and 35.

(7) The Council shall be convened during the first quarter after quotas come into effect in order to establish price ranges and to review and, if necessary, revise quotas for such period as the Council deems advisable, provided that such period does not exceed twelve months from the date on which quotas came into effect.

Article 34

Setting of the Global Annual Quota

Subject to the provisions of Article 33, the Council shall, at its last regular session of the coffee year, set a global annual quota taking into account *inter alia* the following:

(a) estimated annual consumption of importing Members;

(b) estimated imports of Members from other importing Members and from non-member countries;

(c) estimated changes in the level of inventories in importing Member countries and in free ports;

(d) compliance with the provisions of Article 40 concerning shortfalls and their redistributions; and

(e) for the introduction or reintroduction of quotas under the provisions of paragraphs (1) and (5) of Article 33, exports of exporting Members to importing Members and to non-members during the twelve-month period preceding the introduction of quotas.

Article 35

Allocation of Annual Quotas

(1) In the light of the decision taken under the provisions of Article 34 and after deducting the amount of coffee required to comply with the provisions of Article 31, annual quotas shall be allocated in fixed and variable parts to exporting Members entitled to a basic quota. The fixed part shall correspond to 70 percent of the global annual quota, as adjusted to comply with the provisions of Article 31, and shall be distributed among exporting Members in accordance with the provisions of Article 30. The variable part shall correspond to 30 percent of the global annual quota, as adjusted to comply with the provisions of Article 31. These proportions may be changed by the Council but the fixed part shall never be less than 70 percent. Subject to the provisions of paragraph (2) of this Article, the variable part shall be distributed among exporting Members in the proportion which the verified stocks of each exporting Member bear to the total verified stocks of all exporting Members having basic quotas, provided that, unless the Council establishes a different limit, no Member shall receive a share of the variable part of the quota in excess of 40 percent of the total volume of such variable part.

(2) The stocks to be taken into account for the purposes of this Article shall be those verified, in accordance with the appropriate rules for the verification of stocks, at the end of the crop year of each exporting Member immediately preceding the setting of quotas.

Article 36

Quarterly Quotas

(1) Immediately following the allocation of annual quotas under the provisions of paragraph (1) of Article 35, and subject to the provisions of Article 31, the Council shall allocate quarterly quotas to each exporting Member for the purpose of assuring an orderly flow of coffee to world markets throughout the period for which quotas are set.

(2) These quotas shall be, as nearly as possible, 25 percent of the annual quota of each Member. No Member shall be allowed to export more than 30 percent in the first quarter, 60 percent in the first two quarters, and 80 percent in the first three quarters. If exports by any Member in one quarter are less than its quota for that quarter, the outstanding balance shall be added to its quota for the following quarter.

(3) The provisions of this Article shall also apply to the implementation of paragraph (6) of Article 33.

(4) If, on account of exceptional circumstances, an exporting Member considers that the limitations provided in paragraph (2) of this Article would be likely to cause serious harm to its economy, the Council may, at the request of that Member, take appropriate action under the provisions of Article 56.

The Member concerned must furnish evidence of harm and provide adequate guarantees concerning the maintenance of price stability. The Council shall not, however, in any event, authorize a Member to export more than 35 percent of its annual quota in the first quarter, 65 percent in the first two quarters, and 85 percent in the first three quarters.

Article 37

Adjustment of annual and quarterly quotas

(1) If market conditions so require, the Council may vary the annual and quarterly quotas allocated under the provisions of Articles 33, 35 and 36. Subject to the provisions of paragraph (1) of Article 35 and except as provided for in Article 31 and paragraph (3) of Article 39, the quotas of each exporting Member shall be varied by the same percentage.

(2) Notwithstanding the provisions of paragraph (1) of this Article, the Council may, if it finds the market situation so requires, make adjustments among the current and remaining quarterly quotas of exporting Members without, however, altering the annual quotas.

Article 38

Price measures

(1) The Council shall establish a system of indicator prices which shall provide for a daily composite indicator price.

(2) On the basis of such a system, the Council may establish price ranges and price differentials for the principal types and/or groups of coffee and a composite price range.

(3) In establishing and adjusting any price range for the purposes of this Article, the Council shall take into consideration the prevailing level and trend of coffee prices including the influence thereon of:

The levels and trends of consumption and production as well as stocks in importing and exporting countries;

Changes in the world monetary system;

The trend of world inflation or deflation; and

Any other factors which might affect the achievement of the objectives set out in this Agreement.

The Executive Director shall supply the data necessary to permit the Council to give due consideration to the foregoing elements.

(4) The Council shall make rules concerning the effect of the introduction of quotas or adjustments thereto on contracts entered into prior to such introduction or adjustment.

Article 39

Additional measures for the adjustment of quotas

(1) If quotas are in effect, the Council shall be convened in order to establish a system for the pro rata adjustment of quotas in response to movements in the composite indicator price, as provided for in Article 38.

(2) Such a system shall include provisions regarding price ranges, the number of market days over which counts shall be held and the number and size of adjustments.

(3) The Council may also establish a system for increasing quotas in response to the movement of the prices of the principal types and/or groups of coffee.

Article 40

Shortfalls

(1) Each exporting Member shall declare any anticipated shortfall from its export entitlement in order to permit redistribution in the same coffee year among exporting Members able and prepared to export the amount of shortfalls. Seventy percent of the quantity declared in accordance with the provisions of this paragraph shall be offered for redistribution in the first instance among other Members exporting the same type of

coffee in proportion to their basic quotas and 30 percent in the first instance to Members exporting the other type of coffee also in proportion to their basic quotas.

(2) If a Member declares a shortfall within the first six months of a coffee year, the annual quota of that Member shall, in the following coffee year, be increased by an amount of 30 percent of the volume declared and not exported. This amount shall be charged to the annual export entitlements of those exporting Members which have accepted the redistribution under the provisions of paragraph (1) of this Article, pro rata to their participation in that redistribution.

Article 41

Export entitlement of a member group

If two or more Members form a Member group in accordance with the provisions of Articles 6 and 7, the basic quotas or the export entitlements, as the case may be, of those Members shall be added together and the combined total treated as a single basic quota or a single export entitlement for the purposes of this Chapter.

Article 42

Compliance with quotas

(1) Exporting Members shall adopt the measures required to ensure full compliance with all provisions of this Agreement relating to quotas. In addition to any measures the Member itself may take, the Council may require such Member to adopt additional measures for the effective implementation of the quota system provided for in this Agreement.

(2) Exporting Members shall not exceed the annual and quarterly quotas allocated to them.

(3) If an exporting Member exceeds its quota for any quarter, the Council shall deduct from one or more of its subsequent quotas a quantity equal to 110 percent of that excess.

(4) If an exporting Member for the second time exceeds its quarterly quota, the Council shall make the same deduction as that provided for in paragraph (3) of this Article.

(5) If an exporting Member for a third or subsequent time exceeds its quarterly quota, the Council shall make the same deduction as provided for in paragraph (3) of this Article and the voting rights of the Member shall be suspended until such time as the Council decides whether to exclude such Member from the Organization under the provisions of Article 66.

(6) The deductions provided for in paragraphs (3), (4) and (5) of this Article shall be deemed to be shortfalls for the purposes of paragraph (1) of Article 40.

(7) The Council shall apply the provisions of paragraphs (1) to (5) of this Article as soon as the necessary information is available.

Article 43

Certificates of origin and re-export

(1) Every export of coffee by a Member shall be covered by a valid Certificate of Origin. Certificates of Origin shall be issued, in accordance with rules established by the Council, by a qualified agency chosen by the Member and approved by the Organization.

(2) If quotas are in effect, every re-export of coffee by a Member shall be covered by a valid Certificate of Re-export. Certificates of Re-export shall be issued, in accordance with rules established by the Council, by a qualified agency chosen by the Member and approved by the Organization, and shall certify that the coffee in question was imported in accordance with the provisions of this Agreement.

(3) The rules referred to in this Article shall contain provisions which will permit their application to groups of importing Members forming a customs union.

(4) The Council may make rules governing the printing, validation, issuing and use of Certificates and may adopt measures to issue coffee export stamps against payment of a fee to be determined by the Council. The affixing of such stamps to Certificates of Origin may be one of the means prescribed for the validation of such Certificates. The Council may make similar arrangements for the validation of other forms of coffee stamps on conditions to be determined.

(5) Each Member shall notify the Organization of the government or non-government agency which is to perform the functions specified in paragraphs (1) and (2) of this Article. The Organization shall specifically approve a non-government agency upon submission by the Member of satisfactory evidence of the agency's ability and willingness to fulfil the Member's responsibilities in accordance with the rules and regulations established under the provisions of this Agreement. The Council may at any time, for cause, declare a particular non-government agency to be no longer acceptable to it. The Council shall, either directly or through an internationally recognised worldwide organization, take all necessary steps so that at any time it will be able to satisfy itself that all forms of Certificate are being issued and used correctly and to ascertain the quantities of coffee which have been exported by each Member.

(6) A non-government agency approved as a certifying agency under the provisions of paragraph (5) of this Article shall keep records of the Certificates issued and the basis for their issue, for a period of not less than four years. In order to obtain approval as a certifying agency under the provisions of paragraph (5) of this Article, a non-government agency must previously agree to make such records available for examination by the Organization.

(7) If quotas are in effect Members shall, subject to the provisions of Article 44 and those of paragraphs (1) and (2) of Article 45, prohibit the import of any shipment of coffee which is not accompanied by a valid Certificate in the appropriate form issued in accordance with rules established by the Council.

(8) Small quantities of coffee in such forms as the Council may determine, or coffee for direct consumption on ships, aircraft and other international carriers, shall be exempt from the provisions of paragraphs (1) and (2) of this Article.

Article 44

Exports not charged to quotas

(1) As provided for in Article 29, exports to countries not members of this Agreement shall not be charged to quotas. The Council may make rules governing, *inter alia*, the conduct and supervision of this trade, the treatment of, and the penalties for, diversions and re-exports from non-member to Member countries and the documents required to cover exports to both Member and non-member countries.

(2) Exports of coffee beans as raw material for industrial processing for any purposes other than human consumption as a beverage or foodstuff shall not be charged to quotas, provided that the Council is satisfied from information supplied by the exporting Member that the coffee beans are in fact used for such other purposes.

(3) The Council may, at the request of an exporting Member, decide that exports of coffee made by that Member for humanitarian or other non-commercial purposes shall not be charged to its quota.

Article 45

Regulation of imports

(1) To prevent non-member countries from increasing their exports at the expense

of exporting Members, each Member shall, whenever quotas are in effect, limit its annual imports of coffee from non-member countries which were not Members of the International Coffee Agreement 1968 to an amount equal to the annual average of its imports of coffee from non-member countries from either calendar year 1971 to calendar year 1974 inclusive, or from calendar year 1972 to calendar year 1974 inclusive.

(2) Whenever quotas are in effect, Members shall also limit their annual imports of coffee from each non-member which was a Member of the International Coffee Agreement 1968 or the International Coffee Agreement 1968 as Extended to a quantity not greater than a percentage of the average annual imports from that non-member during coffee years 1968/69 to 1971/72. Such percentage shall correspond to the proportion which the fixed part bears to the global annual quota, under the provisions of paragraph (1) of Article 35, at the time when quotas come into effect.

(3) The Council may suspend or vary these quantitative limitations if it finds such action necessary for the purposes of this Agreement.

(4) The obligations established in the preceding paragraphs of this Article shall not derogate from any conflicting bilateral or multilateral obligations which importing Members have entered into with non-member countries prior to the entry into force of this Agreement, provided that any importing Member which has such conflicting obligations shall carry them out in such a way as to minimise any conflict with the obligations established in the preceding paragraphs. Such Member shall take steps as soon as possible to bring its obligations into harmony with the provisions of paragraphs (1) and (2) of this Article and shall inform the Council of the details of the conflicting obligations as well as of the steps taken to minimise or eliminate the conflict.

(5) If an importing Member fails to comply with the provisions of this Article the Council may suspend both its voting rights in the Council and its right to have its votes cast in the Board.

CHAPTER VIII.—OTHER ECONOMIC PROVISIONS

Article 46

Measures related to processed coffee

(1) Members recognise the need of developing countries to broaden the base of their economies through, *inter alia*, industrialisation and the export of manufactured products, including the processing of coffee and the export of processed coffee.

(2) In this connection, Members shall avoid the adoption of governmental measures which could cause disruption to the coffee sector of other Members.

(3) Should a Member consider that the provisions of paragraph (2) of this Article are not being complied with, it should consult with the other Members concerned, having due regard to the provisions of Article 57. The Members concerned shall make every effort to reach amicable settlement on a bilateral basis. If these consultations do not lead to a mutually satisfactory solution, either party may bring the matter before the Council for consideration under the provisions of Article 58.

(4) Nothing in this Agreement shall prejudice the right of any Member to take measures to prevent or remedy disruption to its coffee sector by imports of processed coffee.

Article 47

Promotion

(1) Members undertake to encourage the consumption of coffee by every possible means. To achieve this purpose, a Promotion Fund shall be established with the objectives

of promoting consumption in importing countries by all appropriate means without regard to origin, type or brand of coffee, and of achieving and maintaining the highest quality and purity of the beverage.

(2) The Promotion Fund shall be administered by a committee. The membership of the Fund shall be limited to Members which contribute financially to the Fund.

(3) The Fund shall be financed during coffee years 1976/77 and 1977/78 by a compulsory levy on coffee export stamps or equivalent export authorisations, payable by exporting Members with effect from 1 October 1976. Such levy shall be 5 U.S. cents per bag for Members listed in Annex 1 having initial annual export quotas of less than 100,000 bags; 10 U.S. cents per bag for Members listed in Annex 1 having initial annual export quotas of 100,000 bags or more but less than 400,000 bags, and 25 U.S. cents per bag for all other exporting Members. The Fund may also be financed by voluntary contributions from other Members on terms to be approved by the committee.

(4) At any time, the committee may decide to continue to collect a compulsory levy in the third and subsequent coffee years if additional resources are necessary to comply with commitments undertaken in accordance with paragraph (7) of this Article. It may further decide to receive contributions of other Members on terms it shall approve.

(5) The resources of the Fund shall be used mainly to finance promotion campaigns in importing Member countries.

(6) The Fund may sponsor research and studies related to the consumption of coffee.

(7) Importing Members, or trade associations in importing Member countries acceptable to the committee, may present proposals for campaigns for the promotion of coffee. The Fund may provide resources to finance up to 50 percent of the cost of such campaigns. Whenever a campaign is agreed upon, the percentage contribution of the committee to the campaign shall remain unaltered. The campaigns may be for a period of more than one year but not more than five years.

(8) The payment referred to in paragraph (3) of this Article shall be made against the delivery of coffee export stamps or equivalent export authorisations. The rules for the application of a system of Certification of Origin, under the provisions of Article 43, shall incorporate provisions for the payment of the levy referred to in paragraph (3), of this Article.

(9) The levy referred to in paragraphs (3) and (4) of this Article shall be payable in U.S. dollars to the Executive Director, who shall deposit the funds derived therefrom in a special account to be designated the Promotion Fund Account.

(10) The committee shall control all funds in the Promotion Fund. As soon as possible after the close of each financial year, an independently audited statement of the receipts and expenditures of the Promotion Fund during that financial year shall be presented to the committee for approval. The audited accounts as approved by the committee shall be forwarded to the Council for information only.

(11) The Executive Director shall be the Chairman of the committee and shall report periodically to the Council on the activities of the committee.

(12) The administrative expenses necessary to carry out the provisions of this Article and those relating to promotion activities shall be charged to the Promotion Fund.

(13) The committee shall establish its own by-laws.

Article 48

Removal of obstacles to consumption

(1) Members recognise the utmost importance of achieving the greatest possible in-

crease of coffee consumption as rapidly as possible, in particular through the progressive removal of any obstacles which may hinder such increase.

(2) Members recognise that there are at present in effect measures which may to a greater or lesser extent hinder the increase in consumption of coffee, in particular:

(a) import arrangements applicable to coffee, including preferential and other tariffs, quotas, operations of government monopolies and official purchasing agencies, and other administrative rules and commercial practices;

(b) export arrangements as regards direct or indirect subsidies and other administrative rules and commercial practices; and

(c) internal trade conditions and domestic legal and administrative provisions which may affect consumption.

(3) Having regard to the objectives stated above and to the provisions of paragraph (4) of this Article, Members shall endeavour to pursue tariff reductions on coffee or to take other action to remove obstacles to increased consumption.

(4) Taking into account their mutual interest, Members undertake to seek ways and means by which the obstacles to increased trade and consumption referred to in paragraph (2) of this Article may be progressively reduced and eventually, wherever possible, eliminated, or by which the effects of such obstacles may be substantially diminished.

(5) Taking into account any commitments undertaken under the provisions of paragraph (4) of this Article, Members shall inform the Council annually of all measures adopted with a view to implementing the provisions of this Article.

(6) The Executive Director shall prepare periodically a survey of the obstacles to consumption to be reviewed by the Council.

(7) The Council may, in order to further the purposes of this Article, make recommendations to Members which shall report as soon as possible to the Council on the measures adopted with a view to implementing such recommendations.

Article 49

Mixtures and substitutes

(1) Members shall not maintain any regulations requiring the mixing, processing or using of other products with coffee for commercial resale as coffee. Members shall endeavour to prohibit the sale and advertisement of products under the name of coffee if such products contain less than the equivalent of ninety percent green coffee as the basic raw material.

(2) The Council may request any Member to take the steps necessary to ensure observance of the provisions of this Article.

(3) The Executive Director shall submit to the Council a periodic report on compliance with the provisions of this Article.

Article 50

Production policy

(1) To facilitate the achievement of the objective set out in paragraph (1) of Article 1, exporting Members undertake to use their best endeavours to adopt and to implement a production policy.

(2) The Council may establish procedures for coordinating the production policies referred to in paragraph (1) of this Article. These procedures may include appropriate measures for, or encouragement of, diversification, together with the means whereby Members may obtain both technical and financial assistance.

(3) The Council may establish a contribution payable by exporting Members which shall be used to permit the Organization to carry out appropriate technical studies for the purpose of assisting exporting Members to adopt the measures necessary to pursue

an adequate production policy. Such contribution shall not exceed 2 U.S. cents per bag exported to importing Member countries and shall be payable in convertible currency.

Article 51

Policy relative to coffee stocks

(1) to complement the provisions of Chapter VII and of Article 50, the Council shall, by a distributed two-thirds majority vote, establish a policy relating to coffee stocks in producing Member countries.

(2) The Council shall adopt measures to ascertain annually the volume of coffee stocks in the hands of individual exporting Members in accordance with the provisions of Article 35. The Members concerned shall facilitate this annual survey.

(3) Producing Members shall ensure that adequate facilities exist in their respective countries for the proper storage of coffee stocks.

(4) The Council shall undertake a study of the feasibility of supporting the objectives of this Agreement by an international stock arrangement.

Article 52

Consultation and cooperation with the trade

(1) The Organization shall maintain close liaison with appropriate non-governmental organizations concerned with international commerce in coffee, and with experts in coffee matters.

(2) Members shall conduct their activities within the framework of this Agreement in a manner consonant with established trade channels and shall refrain from discriminatory sales practices. In carrying out these activities they shall endeavour to take due account of the legitimate interests of the coffee trade.

Article 53

Information

(1) The Organization shall act as a centre for the collection, exchange and publication of:

(a) statistical information on world production, prices, exports and imports, distribution and consumption of coffee; and

(b) in so far as is considered appropriate, technical information on the cultivation, processing and utilization of coffee.

(2) The Council may require Members to furnish such information as it considers necessary for its operations, including regular statistical reports on coffee production, production trends, exports and imports, distribution, consumption, stocks, prices and taxation, but no information shall be published which might serve to identify the operations of persons or companies producing, processing or marketing coffee. Members shall furnish information requested in as detailed and accurate a manner as is practicable.

(3) If a Member fails to supply or finds difficulty in supplying within a reasonable time statistical and other information required by the Council for the proper functioning of the Organization, the Council may require the Member concerned to explain the reasons for non-compliance. If it is found that technical assistance is needed in the matter, the Council may take any necessary measures.

(4) In addition to the measures provided for in paragraph (3) of this Article, the Executive Director may, after giving due notice and unless the Council decides otherwise, withhold the release of coffee stamps or other equivalent export authorisations as provided for in Article 43.

Article 54

Studies

(1) The Council may promote studies concerning the economics of coffee production and distribution, the impact of governmental

measures in producing and consuming countries on the production and consumption of coffee, the opportunities for expansion of coffee consumption for traditional and possible new uses and the effects of the operation of this Agreement on producers and consumers of coffee, including their terms of trade.

(2) The Organization may study the practicability of establishing minimum standards for exports of coffee from producing Members.

Article 55

Special fund

(1) A special Fund shall be established to permit the Organization to adopt and to finance the additional measures required to ensure that the relevant provisions of this Agreement can be implemented with effect from its entry into force or as close to that date as possible.

(2) Payments to the Fund shall consist of a levy of 2 U.S. cents on each bag of coffee exported to importing Members, payable by exporting Members with effect from the entry into force of this Agreement, unless the Council decides to decrease or suspend such levy.

(3) The levy referred to in paragraph (2) of this Article shall be payable in U.S. dollars to the Executive Director against the delivery of coffee export stamps or equivalent export authorizations. The rules for the application of a system of Certificates of Origin under the provisions of Article 43 shall incorporate provisions for the payment of this levy.

(4) Subject to the approval of the Council, the Executive Director shall be authorized to expend monies from the Fund to meet the costs of introducing the system of Certificates of Origin referred to in Article 43, the expenditures involved in the verification of stocks required under the provisions of paragraph (2) of Article 51 and the costs of the improvements in the system for the collection and transmission of statistical information referred to in Article 53.

(5) To the extent possible, though separately from the administrative budget, the Fund shall be managed and administered in a manner similar to the administrative budget and shall be subject to an independent annual audit as required for the accounts of the Organization under the provisions of Article 27.

Article 56

Waiver

(1) The Council may, by a distributed two-thirds majority vote, relieve a Member of an obligation, on account of exceptional or emergency circumstances, *force majeure*, constitutional obligations or international obligations under the United Nations Charter for territories administered under the trusteeship system.

(2) The Council, in granting a waiver to a Member, shall state explicitly the terms and conditions on which and the period for which the Member is relieved of such obligation.

(3) The Council shall not consider a request for a waiver of quota obligations on the basis of the existence in a Member country, in one or more years, of an exportable production in excess of its permitted exports or which is the consequence of the Member having failed to comply with the provisions of Articles 50 and 51.

CHAPTER IX—CONSULTATIONS, DISPUTES AND COMPLAINTS

Article 57

Consultations

Each Member shall accord sympathetic consideration to, and shall afford adequate opportunity for, consultants regarding such representations as may be made by another Member with respect to any matter relating

to this Agreement. In the course of such consultation, on request by either party and with the consent of the other, the Executive Director shall establish an independent panel which shall use its good offices with a view to conciliating the parties. The costs of the panel shall not be chargeable to the Organization. If a party does not agree to the establishment of a panel by the Executive Director, or if the consultation does not lead to a solution, the matter may be referred to the Council in accordance with the provisions of Article 58. If the consultation does lead to a solution, it shall be reported to the Executive Director who shall distribute the report to all Members.

Article 58

Disputes and complaints

(1) Any dispute concerning the interpretation or application of this Agreement which is not settled by negotiation shall, at the request of any Member party to the dispute, be referred to the Council for decision.

(2) In any case where a dispute has been referred to the Council under the provisions of paragraph (1) of this Article, a majority of Members, or Members holding not less than one-third of the total votes, may require the Council, after discussion, to seek the opinion of the advisory panel referred to in paragraph (3) of this Article on the issues in dispute before giving its decision.

(3) —

(a) Unless the Council unanimously agrees otherwise, the panel shall consist of:

(i) two persons, one having wide experience in matters of the kind in dispute and the other having legal standing and experience, nominated by the exporting Members;

(ii) two such persons nominated by the importing Members; and

(iii) a chairman selected unanimously by the four persons nominated under (i) and (ii) or, if they fail to agree, by the Chairman of the Council.

(b) Persons from countries whose Governments are Contracting Parties to this Agreement shall be eligible to serve on the advisory panel.

(c) Persons appointed to the advisory panel shall act in their personal capacities and without instructions from any Government.

(d) The expenses of the advisory panel shall be paid by the Organization.

(4) The opinion of the advisory panel and the reasons therefore shall be submitted to the Council which, after considering all the relevant information, shall decide the dispute.

(5) The Council shall rule on any dispute brought before it within six months of submission of such dispute for its consideration.

(6) Any complaint that any Member has failed to fulfill its obligations under this Agreement shall, at the request of the Member making the complaint, be referred to the Council which shall make a decision on the matter.

(7) No Member shall be found to have been in breach of its obligations under this Agreement except by a distributed simple majority vote. Any finding that a Member is in breach of its obligations under this Agreement shall specify the nature of the breach.

(8) If the Council finds that a Member is in breach of its obligations under this Agreement, it may, without prejudice to other enforcement measures provided for in other Articles of this Agreement, by a distributed two-thirds majority vote, suspend such Member's voting rights in the Council and its right to have its votes cast in the Board until it fulfills its obligations, or the Council may decide to exclude such Member from the Organization under the provisions of Article 66.

(9) A Member may seek the prior opinion of the Executive Board in a matter of dispute

or complaint before the matter is discussed by the Council.

CHAPTER X.—FINAL PROVISIONS

Article 59

Signature

This Agreement shall be open for signature at United Nations Headquarters from 31 January 1976 until and including 31 July 1976 by Contracting Parties to the International Coffee Agreement 1968 as Extended by Protocol and Governments invited to the sessions of the International Coffee Council convened for the purpose of negotiating the International Coffee Agreement 1976.

Article 60

Ratification, acceptance, approval

(1) This Agreement shall be subject to ratification, acceptance or approval by the signatory Governments in accordance with their respective constitutional procedures.

(2) Except as provided for in Article 61, instruments of ratification, acceptance or approval shall be deposited with the Secretary-General of the United Nations not later than 30 September 1976. However, the Council may grant extensions of time to signatory Governments which are unable to deposit their instruments by that date.

Article 61

Entry into force

(1) This Agreement shall enter into force definitively on 1 October 1976, if, by that date, Governments representing at least twenty exporting Members holding at least 80 percent of the votes of the exporting Members and at least ten importing Members holding at least 80 percent of the votes of the importing Members, as set out in Annex 2, have deposited their instruments of ratification, acceptance or approval. Alternatively, it shall enter into force definitively at any time after 1 October 1976, if it is provisionally in force in accordance with the provisions of paragraph (2) of this Article and these percentage requirements are satisfied by the deposit of instruments of ratification, acceptance or approval.

(2) This Agreement may enter into force provisionally on 1 October 1976. For this purpose, a notification by a signatory Government or by any other Contracting Party to the International Coffee Agreement 1968 as Extended by Protocol containing an undertaking to apply this Agreement provisionally and to seek ratification, acceptance or approval in accordance with its constitutional procedures as rapidly as possible, which is received by the Secretary-General of the United Nations not later than 30 September 1976, shall be regarded as equal in effect to an instrument of ratification, acceptance or approval. A Government which undertakes to apply this Agreement provisionally pending the deposit of an instrument of ratification, acceptance or approval shall be regarded as a provisional Party thereto until it deposits its instrument of ratification; acceptance or approval, or until and including 31 December 1976 whichever is the earlier. The Council may grant an extension of the time within which any Government which is applying this Agreement provisionally may deposit its instrument of ratification, acceptance or approval.

(3) If this Agreement has not entered into force definitively or provisionally on 1 October 1976 under the provisions of paragraphs (1) or (2) of this Article, those Governments which have deposited instruments of ratification, acceptance, approval or accession or made notifications containing an undertaking to apply this Agreement provisionally and to seek ratification, acceptance or approval may, by mutual consent, decide that it shall enter into force among themselves. Similarly, if this Agreement has

entered into force provisionally but has not entered into force definitively on 31 December 1976, those Governments which have deposited instruments of ratification, acceptance, approval or accessions or made the notifications referred to in paragraph (2) of this Article, may, by mutual consent, decide that it shall continue in force provisionally or enter into force definitively among themselves.

Article 62

Accession

(1) The Government of any State member of the United Nations or of any of its specialized agencies may, before or after the entry into force of this Agreement, accede to it upon conditions which shall be established by the Council.

(2) Instruments of accession shall be deposited with the Secretary-General of the United Nations. The accession shall take effect upon deposit of the instrument.

Article 63

Reservations

Reservations may not be made with respect to any of the provisions of this Agreement.

Article 64

Extension to designated territories

(1) Any Government may, at the time of signature or deposit of an instrument of ratification, acceptance, approval or accession, or at any time thereafter, by notification to the Secretary-General of the United Nations, declare that this Agreement shall extend to any of the territories for whose international relations it is responsible; this Agreement shall extend to the territories named therein from the date of such notification.

(2) Any Contracting Party which desires to exercise its rights under the provisions of Article 5 in respect to any of the territories for whose international relations it is responsible or which desires to authorize any such territory to become part of a Member group formed under the provisions of Articles 6 or 7, may do so by making a notification to that effect to the Secretary-General of the United Nations, either at the time of the deposit of its instrument of ratification, acceptance, approval, or accession, or at any later time.

(3) Any Contracting Party which has made a declaration under the provisions of paragraph (1) of this Article may at any time thereafter, by notification to the Secretary-General of the United Nations, declare that this Agreement shall cease to extend to the territory named in the notification. This Agreement shall cease to extend to such territory from the date of such notification.

(4) When a territory to which this Agreement has been extended under the provisions of paragraph (1) of this Article subsequently attains its independence, the Government of the new state may, within 90 days after the attainment of independence, declare by notification to the Secretary-General of the United Nations that it has assumed the rights and obligations of a Contracting Party to this Agreement. It shall, as from the date of such notification, become a Contracting Party to this Agreement. The Council may grant an extension of the time within which such notification may be made.

Article 65

Voluntary withdrawal

Any Contracting Party may withdraw from this Agreement at any time by giving a written notice of withdrawal to the Secretary-General of the United Nations. Withdrawal shall become effective 90 days after the notice is received.

Article 66

Exclusion

If the Council decides that any Member is in breach of its obligations under this Agreement and decides further that such breach significantly impairs the operation of this Agreement, it may, by a distributed two-thirds majority vote, exclude such Member from the Organization. The Council shall immediately notify the Secretary-General of the United Nations of any such decision. Ninety days after the date of the Council's decision, such Member shall cease to be a Member of the Organization and, if such Member is a Contracting Party, a Party to this Agreement.

Article 67

Settlement of accounts with withdrawing or excluded members

(1) The Council shall determine any settlement of accounts with a withdrawing or excluded Member. The Organization shall retain any amounts already paid by a withdrawing or excluded Member and such Member shall remain bound to pay any amounts due from it to the Organization at the time the withdrawal or the exclusion becomes effective; provided, however, that in the case of a Contracting Party which is unable to accept an amendment and consequently ceases to participate in this Agreement under the provisions of paragraph (2) of Article 69, the Council may determine any settlement of accounts which it finds equitable.

(2) A Member which has ceased to participate in this Agreement shall not be entitled to any share of the proceeds of liquidation or the other assets of the Organization; nor shall it be liable for payment of any part of the deficit, if any, of the Organization upon termination of this Agreement.

Article 68

Duration and termination

(1) This Agreement shall remain in force for a period of six years until 30 September 1982, unless extended under the provisions of paragraph (3) of this Article or terminated under the provisions of paragraph (4) of this Article.

(2) During the third year of this Agreement, namely the coffee year ending 30 September 1979, Contracting Parties shall notify the Secretary-General of the United Nations of their intention to continue to participate in this Agreement for the remaining three years of its duration. Any Contracting Party which, by 30 September 1979, has not made a notification of its intention to continue to participate in this Agreement for the remaining three years of its duration, or any territory which is either a Member or a party to a Member group on behalf of which such notification has not been made by that date, shall with effect from 1 October 1979 cease to participate in this Agreement.

(3) The Council may, at any time after 30 September 1980, by a vote of 58 percent of the Members having not less than a distributed majority of 70 percent of the total votes, decide either that this Agreement be renegotiated or that it be extended, with or without modification, for such period as the Council shall determine. Any Contracting Party which by the date on which such renegotiated or extended Agreement enters into force has not made a notification of acceptance of such renegotiated or extended Agreement to the Secretary-General of the United Nations, or any territory which is either a Member or a party to a Member group on behalf of which such notification has not been made by that date, shall as of that date cease to participate in such Agreement.

(4) The Council may at any time, by a vote

of a majority of the Members having not less than a distributed two-thirds majority of the total votes, decide to terminate this Agreement. Such termination shall take effect on such date as the Council shall decide.

(5) Notwithstanding termination of this Agreement, the Council shall remain in being for as long as necessary to carry out the liquidation of the Organization, settlement of its accounts and disposal of its assets and shall have during that period such powers and functions as may be necessary for those purposes.

Article 69

Amendment

(1) The Council may, by a distributed two-thirds majority vote, recommend an amendment of this Agreement to the Contracting Parties. The amendment shall become effective 100 days after the Secretary-General of the United Nations has received notifications of acceptance from Contracting Parties representing at least 75 percent of the exporting countries holding at least 85 percent of the votes of the exporting Members, and from Contracting Parties representing at least 75 percent of the importing countries holding at least 80 percent of the votes of the importing Members. The Council shall fix a time within which Contracting Parties shall notify the Secretary-General of the United Nations of their acceptance of the amendment. If, on expiry of such time limit, the percentage requirements for the entry into effect of the amendment have not been met, the amendment shall be considered withdrawn.

(2) Any Contracting Party which has not notified acceptance of an amendment within the period fixed by the Council, or any territory which is either a Member or a party to a Member group on behalf of which such notification has not been made by that date, shall cease to participate in this Agreement from the date on which such amendment becomes effective.

Article 70

Supplementary and transitional provisions

(1) This Agreement shall be considered as a continuation of the International Coffee Agreement 1968 as Extended by Protocol.

(2) In order to facilitate the uninterrupted continuation of the International Coffee Agreement 1968 as Extended by Protocol:

(a) All acts by or on behalf of the Organization or any of its organs under the International Coffee Agreement 1968 as Extended by Protocol, in effect on 30 September 1976, whose terms do not provide for expiry on that date, shall remain in effect unless changed under the provisions of this Agreement;

(b) All decisions required to be taken by the Council during coffee year 1975/76 for application in coffee year 1976/77 shall be taken during the last regular session of the Council in coffee year 1975/76 and applied on a provisional basis as if this Agreement had already entered into force.

Article 71

Authentic texts of the agreement

The texts of this Agreement in the English, French, Portuguese and Spanish languages shall all be equally authentic. The originals shall be deposited with the Secretary-General of the United Nations.

In witness whereof the undersigned having been duly authorized to this effect by their respective Governments, have signed this Agreement on the dates appearing opposite their signatures.

PROTOCOLS FOR THE THIRD EXTENSION OF THE
WHEAT TRADE CONVENTION AND FOOD AID
CONVENTION CONSTITUTING THE INTERNA-
TIONAL WHEAT AGREEMENT, 1971

PREAMBLE

The Conference to establish the texts of the Protocols for the third extensions of the Conventions constituting the International Wheat Agreement, 1971

Considering that the International Wheat Agreement of 1949 was revised, renewed or extended in 1953, 1956, 1959, 1962, 1965, 1966, 1967, 1968, 1971, 1974 and 1975,

Considering that the International Wheat Agreement, 1971, consisting of two separate legal instruments, the Wheat Trade Convention, 1971 and the Food Aid Convention, 1971, both of which were further extended by Protocol in 1975, will expire on 30 June 1976.

Has established the texts of Protocols for the third extension of the Wheat Trade Convention, 1971 and for the third extension of the Food Aid Convention, 1971.

PROTOCOL FOR THE THIRD EXTENSION OF THE
WHEAT TRADE CONVENTION, 1971

The Governments party to this Protocol,
Considering that the Wheat Trade Convention, 1971 (hereinafter referred to as "the Convention") of the International Wheat Agreement, 1971, which was further extended by Protocol in 1975, expires on 30 June 1976,
Have agreed as follows:

ARTICLE 1

EXTENSION, EXPIRY, AND TERMINATION OF THE
CONVENTION

Subject to the provisions of Article 2 of this Protocol, the Convention shall continue in force between the parties to this Protocol until 30 June 1978, provided that, if a new international agreement covering wheat enters into force before 30 June 1978, this Protocol shall remain in force only until the date of entry into force of the new agreement.

ARTICLE 2

INOPERATIVE PROVISIONS OF THE CONVENTION

The following provisions of the Convention shall be deemed to be inoperative with effect from 1 July 1976:

- (a) paragraph (4) of Article 19;
- (b) Articles 22 to 26 inclusive;
- (c) paragraph (1) of Article 27;
- (d) Articles 29 to 31 inclusive.

ARTICLE 3

DEFINITION

Any reference in this Protocol to a "Government" or "Governments" shall be construed as including a reference to the European Economic Community (hereinafter referred to as "the Community"). Accordingly, any reference in this Protocol to "signature" or to the "deposit of instruments of ratification, acceptance, approval or conclusion" or "an instrument of accession" or "a declaration of provisional application" by a Government shall, in the case of the Community, be construed as including signature or declaration of provisional application on behalf of the Community by its competent authority and the deposit of the instrument required by the institutional procedures of the Community to be deposited for the conclusion of an international agreement.

ARTICLE 4

FINANCE

The initial contribution of any exporting or importing member acceding to this Protocol under paragraph (1)(b) of Article 7 thereof, shall be assessed by the Council on the basis of the votes to be distributed to it and the period remaining in the current crop year, but the assessments made upon other exporting and importing mem-

bers for the current crop year shall not be altered.

ARTICLE 5

SIGNATURE

This Protocol shall be open for signature in Washington from 17 March 1976 until and including 7 April 1976 by Governments of countries party to the Convention as further extended by Protocol, or which are provisionally regarded as party to the Convention as further extended by Protocol, on 17 March 1976, or which are members of the United Nations, of its specialized agencies or of the International Atomic Energy Agency and are listed in Annex A or Annex B to the Convention.

ARTICLE 6

RATIFICATION, ACCEPTANCE, APPROVAL, OR
CONCLUSIONS

This Protocol shall be subject to ratification, acceptance, approval or conclusion by each signatory Government in accordance with its respective constitutional or institutional procedures. Instruments of ratification, acceptance, approval or conclusion shall be deposited with the Government of the United States of America not later than 18 June 1976, except that the Council may grant one or more extensions of time to any signatory Government that has not deposited its instrument of ratification, acceptance, approval or conclusion by that date.

ARTICLE 7

ACCESSION

(1) This Protocol shall be open for accession

(a) until 18 June 1976 by the Government of any member listed in Annex A or B to the Convention as of that date, except that the Council may grant one or more extensions of time to any Government that has not deposited its instrument by that date and

(b) after 18 June 1976 by the Government of any member of the United Nations, of its specialized agencies or of the International Atomic Energy Agency upon such conditions as the Council considers appropriate by not less than two-thirds of the votes cast by exporting members and two-thirds of the votes cast by importing members.

(2) Accession shall be effected by the deposit of an instrument of accession with the Government of the United States of America.

(3) Where, for the purposes of the operation of the Convention and this Protocol, reference is made to members listed in Annex A or B to the Convention, any member of the Government of which has acceded to the Convention on conditions prescribed by the Council, or to this Protocol in accordance with paragraph (1)(b) of this Article, shall be deemed to be listed in the appropriate Annex.

ARTICLE 8

PROVISIONAL APPLICATION

Any signatory Government may deposit with the Government of the United States of America a declaration of provisional application of this Protocol. Any other Government eligible to sign this Protocol or whose application for accession is approved by the Council may also deposit with the Government of the United States of America a declaration of provisional application. Any Government depositing such a declaration shall provisionally apply this Protocol and be provisionally regarded as a party thereto.

ARTICLE 9

ENTRY INTO FORCE

(1) This Protocol shall enter into force among those Governments which have deposited instruments of ratification, acceptance, approval, conclusion or accessions, or

declarations of provisional application, in accordance with Articles 6, 7 and 8 of this Protocol by 18 June 1976, as follows:

(a) on 19 June 1976, with respect to all provisions of the Convention other than Articles 3 to 9 inclusive, and Article 21, and
(b) on 1 July 1976, with respect to Articles 3 to 9 inclusive, and articles 21 of the Convention, if such instruments of ratification, acceptance, approval, conclusion or accession, or declarations of provisional application have been deposited not later than 18 June 1976 on behalf of Governments representing exporting members which held at least 60 per cent of the votes set out in Annex A and representing importing members which held at least 50 per cent of the votes set out in Annex B, or would have held such votes respectively if they had been parties to the Convention on that date.

(2) The Protocol shall enter into force for any Government that deposits an instrument of ratification, acceptance, approval, conclusion or accession after 19 June 1976 in accordance with the relevant provisions of this Protocol, on the date of such deposit except that no part of it shall enter into force for such a Government until that part enters into force for other Governments under paragraph (1) or (3) of this Article.

(3) If this Protocol does not enter into force in accordance with paragraph (1) of this Article, the Governments which have deposited instruments of ratification, acceptance, approval, conclusion or accession, or declarations of provisional application, may decide by mutual consent that it shall enter into force among those Governments that have deposited instruments of ratification, acceptance, approval, conclusion or accession, or declarations of provisional application.

ARTICLE 10

NOTIFICATION BY DEPOSITORY GOVERNMENT

The Government of the United States of America as the depositary Government shall notify all signatory and acceding Governments of each signature, ratification, acceptance, approval, conclusion, provisional application of, and accession to, this Protocol, as well as of each notification and notice received under Article 27 of the Convention and each declaration and notification received under Article 28 of the Convention.

ARTICLE 11

CERTIFIED COPY OF THE PROTOCOL

As soon as possible after the definitive entry into force of this Protocol, the depositary Government shall send a certified copy of this Protocol in the English, French, Russian and Spanish languages to the Secretary-General of the United Nations for registration in accordance with Article 102 of the Charter of the United Nations. Any amendments to this Protocol shall likewise be communicated.

ARTICLE 12

RELATIONSHIP OF PREAMBLE TO PROTOCOL

This Protocol includes the Preamble to the Protocols for the third extension of the International Wheat Agreement, 1971.

IN WITNESS WHEREOF the undersigned, having been duly authorized to this effect by their respective Governments or authorities, have signed this Protocol on the dates appearing opposite their signatures.

The texts of this Protocol in the English, French, Russian and Spanish languages shall be equally authentic. The originals shall be deposited with the Government of the United States of America, which shall transmit certified copies thereof to each signatory and acceding party and to the Executive Secretary of the Council.

PROTOCOL FOR THE THIRD EXTENSION OF THE FOOD AID CONVENTION, 1971

The parties to this Protocol,

Considering that the Food Aid Convention, 1971 (hereinafter referred to as "the Convention") of the International Wheat Agreement, 1971, which was further extended by Protocol in 1975, expires on 30 June 1976,

Have agreed as follows:

ARTICLE I

EXTENSION, EXPIRY, AND TERMINATION OF THE PROMOTION

Subject to the provisions of Article II of this Protocol, the Convention shall continue in force between the parties to this Protocol until 30 June 1978, provided that, if a new agreement covering food aid enters into force before 30 June 1978, this Protocol shall remain in force only until the date of entry into force of the new agreement.

ARTICLE II

INOPERATIVE PROVISIONS OF THE CONVENTION

The provisions of paragraphs (1), (2) and (3) of Article II, of paragraph (1) of Article III, and of Articles VI and XIV, inclusive, of the Convention shall be deemed to be inoperative with effect from 1 July 1976.

ARTICLE III

INTERNATIONAL FOOD AID

(1) The parties to this Protocol agree to contribute as food aid to the developing countries, wheat, coarse grains or products derived therefrom, suitable for human consumption and of an acceptable type and quality, or the cash equivalent thereof, in the minimum annual amounts specified in paragraph (2) below:

(2) The minimum annual contribution of each party to this Protocol is fixed as follows:

	Metric tons
Argentina	23,000
Australia	225,000
Canada	495,000
European Economic Community	1,287,000
Finland	14,000
Japan	225,000
Sweden	35,000
Switzerland	32,000
United States of America	1,890,000

(3) For the purpose of the operation of this Protocol, any party which has signed this Protocol pursuant to paragraph (2) of Article V thereof, or which has acceded to this Protocol pursuant to paragraph (2) or (3) of Article VII thereof, shall be deemed to be listed in paragraph (2) of Article III of this Protocol together with the minimum contribution of such party as determined in accordance with the relevant provisions of Article V or Article VII of this Protocol.

ARTICLE IV

FOOD AID COMMITTEE

There shall be established a Food Aid Committee whose membership shall consist of the parties listed in paragraph (2) of Article III of this Protocol and of those others that become parties to this Protocol. The Committee shall appoint a Chairman and a Vice-Chairman.

ARTICLE V

SIGNATURE

(1) This Protocol shall be open for signature in Washington from 17 March 1976 until and including 7 April 1976 by the Governments of Argentina, Australia, Canada, Finland, Japan, Sweden, Switzerland and the United States of America, and by the European Economic Community and its member States, provided that they sign both this Protocol and the Protocol for the third extension of the Wheat Trade Convention, 1971.

(2) This Protocol shall also be open for

signature, on the same conditions, to any party to the Food Aid Convention, 1967 which is not enumerated in paragraph (1) of this Article, provided that its contribution is at least equal to that which it agreed to make in the Food Aid Convention, 1967.

ARTICLE VI

RATIFICATION, ACCEPTANCE, APPROVAL, OR CONCLUSION

This Protocol shall be subject to ratification, acceptance, approval or conclusion by each signatory in accordance with its constitutional or institutional procedures provided that it also ratifies, accepts, approves or concludes the Protocol for the third extension of the Wheat Trade Convention, 1971. Instruments of ratification, acceptance, approval or conclusion shall be deposited with the Government of the United States of America not later than 18 June 1976, except that the Food Aid Committee may grant one or more extensions of time to any signatory that has not deposited its instrument of ratification, acceptance, approval or conclusion by that date.

ARTICLE VII

ACCESSION

(1) This Protocol shall be open for accession by any party referred to in Article V of this Protocol, provided it also accedes to the Protocol for the third extension of the Wheat Trade Convention, 1971 and provided further that in the case of any party referred to in paragraph (2) of Article V its contribution is at least equal to that which it agreed to make in the Food Aid Convention, 1967. Instruments of accession under this paragraph shall be deposited not later than 18 June 1976, except that the Food Aid Committee may grant one or more extensions of time to any party that has not deposited its instrument of accession by that date.

(2) The Food Aid Committee may approve accession to this Protocol, as a donor, by the Government of any member of the United Nations, of its specialized agencies or of the International Atomic Energy Agency, on such conditions as the Food Aid Committee considers appropriate, provided that the Government also accedes at the same time to the Protocol for the third extension of the Wheat Trade Convention, 1971, if not already a party to it.

(3) Accession shall be effected by the deposit of an instrument of accession with the Government of the United States of America.

ARTICLE VIII

PROVISIONAL APPLICATION

Any party referred to in Article V of this Protocol may deposit with the Government of the United States of America a declaration of provisional application of this Protocol, provided it also deposits a declaration of provisional application of the Protocol for the third extension of the Wheat Trade Convention, 1971. Any other party whose application for accession is approved may also deposit with the Government of the United States of America a declaration of provisional application, provided that the party also deposits a declaration of provisional application of the Protocol for the third extension of the Wheat Trade Convention, 1971, unless it is already a party to that Protocol or has already deposited a declaration of provisional application of that Protocol. Any such party depositing such a declaration shall provisionally apply this Protocol and be provisionally regarded as a party thereto.

ARTICLE IX

ENTRY INTO FORCE

(1) This Protocol shall enter into force for those parties that have deposited instru-

ments of ratification, acceptance, approval, conclusion or accession

(a) on 19 June 1976 with respect to all provisions other than Article II of the Convention and Article III of the Protocol, and

(b) on 1 July 1976 with respect to Article II of the Convention and Article III of the Protocol

provided that all parties listed in paragraph (1) of Article V of this Protocol have deposited such instruments or a declaration of provisional application by 18 June 1976 and that the Protocol for the third extension of the Wheat Trade Convention, 1971 is in force. For any other party that deposits an instrument of ratification, acceptance, approval, conclusion or accession after the entry into force of the Protocol, this Protocol shall enter into force on the date of such deposit.

(2) If this Protocol does not enter into force in accordance with the provisions of paragraph (1) of this Article, the parties which by 19 June 1976 have deposited instruments of ratification, acceptance, approval, conclusion or accession, or declarations of provisional application may decide by mutual consent that it shall enter into force among those parties that have deposited instruments of ratification, acceptance, approval, conclusion or accession, or declarations of provisional application, provided that the Protocol for the third extension of the Wheat Trade Convention, 1971 is in force, or they may take whatever other action they consider the situation requires.

ARTICLE X

NOTIFICATION BY DEPOSITARY GOVERNMENT

The Government of the United States of America as the depositary Government shall notify all signatory and acceding parties of each signature, ratification, acceptance, approval, conclusion, provisional application of, and accession to this Protocol.

ARTICLE XI

CERTIFIED COPY OF THE PROTOCOL

As soon as possible after the definitive entry into force of this Protocol, the depositary Government shall send a certified copy of this Protocol in the English, French, Russian and Spanish languages to the Secretary-General of the United Nations for registration in accordance with Article 102 of the Charter of the United Nations. Any amendments to this Protocol shall likewise be communicated.

ARTICLE XII

RELATIONSHIP OF PREAMBLE TO PROTOCOL

This Protocol includes the Preamble to the Protocols for the third extension of the International Wheat Agreement, 1971.

In witness whereof the undersigned, having been duly authorized to this effect by their respective Governments or authorities, have signed this Protocol on the dates appearing opposite their signatures.

The texts of this Protocol in the English, French, Russian and Spanish languages shall all be equally authentic. The originals shall be deposited with the Government of the United States of America, which shall transmit certified copies thereof to each signatory and acceding party.

The ACTING PRESIDENT pro tempore. Does the distinguished Senator from Alabama wish both of these calendar orders considered together with one vote?

Mr. SPARKMAN. Yes.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. SPARKMAN. Mr. President, I ask unanimous consent that both treaties be considered as having passed through the

various parliamentary stages up to the presentation of the resolutions of ratification thereon and that there be one vote on the two treaties to count as two votes, and that the voting time be 2 o'clock today.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The resolutions of ratification of Executive H, 94th Congress, 2d session, and Executive I, 94th Congress, 2d session, will be read.

The legislative clerk read as follows:

Resolved, (two-thirds of the Senators present concurring therein), That the Senate advise and consent to ratification of the International Coffee Agreement, 1976, which was open for signature at United Nations Headquarters from January 31 through July 31, 1976, and signed by the United States on February 27, 1976 (Executive H, Ninety-fourth Congress, second session).

Resolved, (two-thirds of the Senators present concurring therein), That the Senate advise and consent to ratification of the Protocols for the Third Extension of the Wheat Trade Convention and Food Aid Convention constituting the International Wheat Agreement, 1971, open for signature in Washington from March 17 through April 7, 1976. (Executive I, Ninety-fourth Congress, second session.)

Mr. SPARKMAN. Mr. President, the Senate has before it today the question of giving its advice and consent to ratification of two international commodity agreements: The International Coffee Agreement—Executive H, 94-2—and the International Wheat Agreement—Executive I, 94-2. Both agreements provide for the membership by the United States in organizations to which we have belonged for some years. In the view of the Committee on Foreign Relations, neither agreement is a matter of controversy.

To take the Wheat Agreement first, since it is the simpler question, the two protocols to be accepted through one resolution of ratification merely provide for the continuation of our participation in the Wheat Trade Convention and Food Aid Convention. In the first case, the Wheat Trade Convention does not contain any provisions on maximum and minimum prices, or on purchase and supply obligations. In the second case, the U.S. contributions under the Food Aid Convention would be within the range of what the United States would be providing even without the convention.

In short, the Wheat Agreement simply provides for a 2-year extension of U.S. membership while efforts go forward to negotiate a more comprehensive international agreement.

The Coffee Agreement is somewhat more complicated in character, but it is basically also a continuation of the current situation. Again, there is no set price and no effort at indexation of prices in the agreement. Instead, it uses export quotas in times of price declines and provides incentives for exporting countries to stock coffee to cover short-term supply interruptions. There is, of course, a highly unusual situation at present because of the severe frost in Brazil, which during the past year caused a severe shortage of the commodity and a dramatic increase in its cost. It will take at

least 3 years to recover fully from this drop in production.

In this last connection, the Coffee Agreement is valid for a period of 6 years, but it has a renewal clause at the end of the first 3 years. In other words, the United States and all other member countries will have the opportunity to drop out of the agreement automatically at the end of 3 years if renewal is not certified. This gives time for all members to assess the situation following a hoped-for return to the normal situation with respect to Brazilian coffee.

Finally, Mr. President, I would stress the fact that the annual cost to the United States for participation in the two agreements will amount to a few hundred thousand dollars. There is a provision for exporting countries to contribute to a promotion fund which they themselves will subsidize. And it is arguable that such a cost will be passed along to the consumers. On the other hand, it is hard to see that such a cost would go beyond something like a penny per pound. Considering the current price of a pound of coffee, it is hard to believe that consumers throughout the world will be seriously disturbed by any such development.

In sum, especially in view of the lack of controversy on these issues during the consideration by the Committee on Foreign Relations, I can recommend strongly that the Senate give its advice and consent to ratification of the agreements before us.

Mr. President, both these agreements we are now considering represent a continuation of existing agreements. They have been considered by the Foreign Relations Committee. The Foreign Relations Committee has reported both of them unanimously.

The ACTING PRESIDENT pro tempore. The question is on agreeing to Calendar No. 7, the International Coffee Agreement, 1976, and Calendar No. 8, the protocols for the third extension of the Wheat Trade Convention and Food Aid Convention constituting the International Wheat Agreement, 1971, and by previous order there will be one vote on the agreement and the protocols at 2 o'clock.

Mr. MANSFIELD. Mr. President, I ask for the yeas and nays.

The ACTING PRESIDENT pro tempore. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The ACTING PRESIDENT pro tempore. At 2 o'clock, a single vote will be had on both treaties.

LEGISLATIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate return to the consideration of legislative business.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. The Chair recognizes the distin-

guished Senator from North Carolina (Mr. HELMS).

PRIVILEGE OF THE FLOOR— H.R. 8603

Mr. HELMS. Mr. President, I ask unanimous consent that Mr. Carl Anderson and Dick Bryan be granted privilege of the floor during consideration of H.R. 8603 and any votes thereon.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT RECEIVED DURING ADJOURNMENT

Under authority of the order of August 10, 1976, messages from the President of the United States were received on August 12, 1976, submitting sundry nominations, which were referred to the appropriate committees.

(The nominations received on August 12, 1976, are printed at the end of today's Senate proceedings.)

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Roddy, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

ESSENTIAL NATIONAL DEFENSE PROGRAMS—MESSAGE FROM THE PRESIDENT

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States:

To the Congress of the United States:

My total fiscal year 1977 Budget request for national defense, including amendments, is \$114.9 billion in budget authority. This budget request is based upon a careful assessment of the international situation and of the contingencies we must be prepared to meet. The request is substantial, as it must be to provide what is necessary for our national security.

When I submitted my budget last January, I pointed out that the request might need to be increased for three reasons: (1) In the event that the Congress did not approve legislative proposals necessary to reduce spending in lower-priority areas involving manpower and related costs and sale of unneeded items from the stockpile; (2) in the shipbuilding area, where a National Security Council study then under way, could lead to an increase in the shipbuilding budget; and

(3) a possible increase later in the year depending on the progress of the SALT II negotiations and our continuing assessment of Soviet ICBM programs. Indeed, there have been changes in these areas and they have been reflected in my revised budget request.

On July 14, 1976, I approved legislation authorizing 1977 appropriations for procurement and for research and development programs. At that time I indicated that in a number of important respects the Congress has not fully faced up to the Nation's needs. First, the Congress has not approved a number of essential Defense programs. Second, the Congress has added programs and funds which are of a lower priority. Finally, the Congress has not yet acted upon certain of my legislative proposals which are necessary to restrain manpower cost growth and to achieve other economies. These three areas require remedial action by the Congress.

Therefore, today I am advising the Congress that failure to take the necessary remedial actions will result in a revised 1977 estimate for National Defense of \$116.3 billion. This revised estimate reflects the following adjustments:

	Budget authority
[In billions]	
Amended budget request.....	\$114.9
Congressional adjustments, net.....	-1.8
Congressional action to date.....	113.1
Adjustments in this message:	
(a) Resubmission of congressional authorization reductions.....	+2.4
(b) Deletion of programs added by Congress.....	- .6
(c) Congressional inaction on defense management economies.....	+1.4
(d) Additional recruiting requirements (\$39 million).....	-----
Revised national defense estimate....	116.3
RESUBMISSION OF CONGRESSIONAL AUTHORIZATION REDUCTIONS	

I am having resubmitted authorization requests for \$2.4 billion in program reductions imposed by the Congress.

Shipbuilding. Congress has not thus far authorized \$1.7 billion requested for new ship programs that are needed to strengthen our maritime capabilities and assure freedom of the seas. In particular, funds have been denied for the lead ships for two essential production programs—the nuclear strike cruiser and the conventionally-powered AEGIS destroyer—and for four modern frigates. The 1977 program was proposed as the first step of a sustained effort to assure that the United States, along with our allies, can maintain maritime defense, deterrence, and freedom of the seas. Therefore, I am submitting a supplemental authorization request for 1977 to provide for these ships as well as for the research and development to upgrade U.S. ship capabilities in the near-term and to create longer-term alternatives to conventional surface forces.

Other Programs. The Congress has also failed to authorize over \$900 million requested for other Defense procurement accepted due to fact-of-life program. While some of these adjustments can be

accepted due to fact-of-life program developments, I must request a supplemental authorization of \$759 million for programs which are urgently needed. In particular, I reaffirm the need for the following programs, and request restoration of the indicated amounts to the Authorization Act:

- \$19 million for the Defense Agencies research and development appropriation, principally to provide the needed resources for the Defense Advanced Research Projects Agency.
- \$20 million for civil aircraft modifications, clearly the most cost-effective option for enhancing our airlift capability. These modifications should be a part of any airlift improvement program, and the needed funds should not be denied while other airlift improvements are under consideration.
- \$171 million for the Air Force research and development appropriation. Our most urgent needs here include funds for the MAVERICK missile needed to start engineering development for advanced warhead and single rail launches and advanced ICBM technology funds needed to identify the most cost-effective option for full-scale development.
- \$136 million for the F-16 fighter aircraft, to provide full funding for 1977 in accordance with sound budgetary principles. Since Congress approved the full program, this cut is illusory and would serve only to complicate management and make potential foreign buyers less confident of this program.
- \$122 million for the Army research and development appropriation to cover urgent programs such as the STINGER missile, where the Authorization Act would impair the development effort for an improved target-seeking technique. This effort is critical to achieving the needed improvements over the current REDEYE missile.
- \$211 million for the Navy research and development appropriation to provide what is needed for several essential programs, in particular the Navy cruise missile program. The Authorization Act would prevent our moving forward at the pace needed to assure that sub and surface launch options can be operational by 1980.
- \$66 million for production of the US-3A carrier delivery aircraft, necessary to replace aging aircraft and to provide the necessary numbers of aircraft with sufficient operating range to support our carrier forces. The Authorization Act does not meet our military needs, and would provide an uneconomical production rate.
- \$15 million for the MK-30 mobile target, critically needed for anti-submarine warfare training.

PROGRAMS ADDED BY CONGRESS

While the Congress disapproved several programs which are essential to our

national security, \$1.1 billion was added to the budget request for items for which I did not request funds for 1977. Although I continue to believe that all of these programs are unnecessary at the present time, I specifically urge the Congress to delete \$584 million for the following programs:

- Conversion of the cruiser *Long Beach* (\$371 million) which can readily be postponed.
- Repair and modernization of the cruiser *Belknap* (\$213 million) damaged in a collision, for which funds should be authorized in the Transition Quarter as I have requested.

I proposed that Congress authorize funds for repair of the *Belknap* in the current transition quarter, and delete the funds for the *Long Beach*, which is of lower priority than the conventionally powered *Aegis* destroyer and the *Strike Cruiser* which the Congress reduced. If the Congress does not act favorably upon this request, funds would have to be added on top of my revised 1977 Defense budget request.

CONGRESSIONAL INACTION ON DEFENSE MANAGEMENT ECONOMIES

My 1977 Defense budget estimates were based upon the assumption that the Congress would act favorably upon a number of specific legislative proposals, thereby achieving major economies. These savings involve pay costs and related compensation areas and sales of certain materials from the national stockpile.

In these areas alone, the budget reflected savings of \$4.0 billion for FY 1977. For the five-year period FY 1977-81, my proposals would save \$27 billion. Of these savings, nearly \$11 billion can be realized by administrative action in revising the pay comparability process for general schedule and military personnel. I am taking the required actions. Over \$16 billion of the savings are dependent upon Congressional action, however, and these are the items which I wish to address. Let me summarize these savings proposals requiring action by the Congress:

- \$4.7 billion (including \$276 million in FY 1977) would result from revisions in the Federal wage board pay system to provide pay rates that are truly comparable with those in the private sector.
- \$1.1 billion (including \$163 million in FY 1977) would result from changing pay practices in the Reserve and National Guard, modifying training and assignment policies, and transferring 44,500 Naval reservists to a different pay category. My proposals provide the levels of reserve readiness needed, and they are equitable.
- \$1.7 billion (including \$61 million in FY 1977) would result from holding future increases in military retired pay to changes in the cost of living, eliminating the additional increment which present law provides. I am aware that the Congress has approved this change for military retirees contingent upon Congressional

al approval of this change for civilian retirees as well.

—\$1.4 billion (including \$92 million in FY 1977) would result from reducing the subsidy in military commissaries on a phased basis, while still providing much lower prices than are available in commercial stores. This proposal is entirely equitable considering current levels of military compensation and other relevant factors.

—\$2.6 billion (including \$746 million in FY 1977) would result from sale of items from the national stockpile, which are excess to our requirements.

—\$4.7 billion (including \$384 million in FY 1977) would result from a number of proposals which appear to be well on their way to enactment. These include employment cutbacks, a move toward a fair-market-rental-system for military personnel, and revisions in certain payments for leave.

I am deeply concerned by the apparent intent to reject a large portion of these proposed savings, and to make up the difference by cutbacks in urgently-needed defense programs. The conference report on the first budget resolution states, in fact, that other defense cuts will be made if these proposed savings cannot be realized. This would be a totally unwarranted course of action. If Congress is unwilling to enact the necessary changes to end these unjustifiable outlays, then we must pay for these items from our pocketbooks—not by slashing our national security. We simply cannot sacrifice our national security to provide for unproductive fringe items and unwarranted levels of compensation.

Once again I urge the Congress to take the necessary actions I have proposed in order to achieve real economies in the national defense program, and not to add the new requirements now under consideration. While I am not now requesting additional appropriations for these items, I want to make it clear that if the Congress fails to take the proper action, I will request again that the additional appropriations be provided. Failure to do so would result in an unbalanced national defense program.

ADDITIONAL REQUIREMENTS

Finally, I have approved an amendment in the amount of \$39 million to the 1977 Defense budget to provide additional funds for enlistment bonuses to recruit the required numbers of high school graduates for the Army. Recruiting success, particularly as measured in terms of quality, has proven to be sensitive to the level of resources available, and any significant reduction of resources reduces program effectiveness in the long run. We must reverse the recent practice of curtailing budget dollars devoted to recruiting and invest this amount as a contribution towards the relatively small additional resources necessary to maintain a successful program over the long term.

SUBMISSION OF LEGISLATIVE PROPOSALS AND APPROPRIATION REQUESTS

Proposals for authorizing legislation and appropriation requests will be sub-

mitted to the Congress as necessary to provide for these requirements. Requests covering weapons procurement, RDT&E and recruiting activities are being transmitted now. The remainder of the additional appropriation requests—principally those relating to the compensation area—will, in accordance with the normal budgetary cycle, be transmitted in January 1977. There is yet time for the Congress to act upon my restraint proposals so that this large additional January submission will not be necessary. Once again, I urge the Congress to act. If the Congress does not take the necessary action, the additional funds will be required and I will request that the Congress provide them.

In withholding my approval from the Military Construction Authorization Bill (H.R. 12384), I noted several points that are also germane here. Section 612 of that bill would impose severe restrictions and delays upon base closures or employment reductions at certain military installations. As I stated at that time, the Nation's taxpayers rightly expect the most defense possible for their tax dollars. Provisions such as Section 612 would add arbitrarily and unnecessarily to the tax burden of the American people. We must have the latitude to take actions to cut unnecessary defense spending and personnel. Congress should reenact this otherwise acceptable legislation without the objectionable base closure provision.

As I have consistently indicated, I am determined that the national security efforts of the United States shall be fully adequate. This message indicates what is necessary to ensure that adequacy. It is up to the Congress to act promptly to provide the resources to do the job.

GERALD R. FORD.

THE WHITE HOUSE, August 23, 1976.

Mr. ROBERT C. BYRD, Mr. President, I ask unanimous consent that the message from the President relative to national defense be referred jointly to the Committee on Appropriations, the Committee on Armed Services, and the Committee on the Budget.

The PRESIDING OFFICER. Without objection, it is so ordered.

APPROVAL OF BILLS

A message from the President of the United States announced that he had approved and signed the following bills:

On August 12, 1976:

S. 537. An act to improve judicial machinery by amending the requirement for a three-judge court in certain cases and for other purposes;

S. 3589. An act to designate the Federal office building located in Manchester, New Hampshire, as the "Norris Cotton Building"; and

S. 3735. An act to amend the Public Health Service Act to authorize the establishment and implementation of an emergency national swine flu immunization program and to provide an exclusive remedy for personal injury or death arising out of the manufacture, distribution, or administration of the swine flu vaccine under such program.

On August 13, 1976:

S. 1526. An act to make additional funds available for purposes of certain public lands

in northern Minnesota, and for other purposes.

On August 14, 1976:

S. 1689. An act to amend the Pennsylvania Avenue Development Corporation Act of 1972 (Public Law 94-388), as amended.

On August 19, 1976:

S. 2642. An act to provide for the establishment of the Ninety Six National Historic Site in the State of South Carolina, and for other purposes.

MESSAGES FROM THE HOUSE RECEIVED DURING ADJOURNMENT

Under authority of the order of August 10, 1976, a message from the House of Representatives was received on August 10, 1976, stating that the House agreed to the amendments of the Senate to the amendments of the House to the bill (S. 2642) to authorize the Secretary of the Interior to establish the Ninety Six and Star Fort National Historic Site in the State of South Carolina, and for other purposes.

The message also stated that the House agreed to the amendments of the Senate to the bill (H.R. 13359) to authorize loan funds for the government of the Virgin Islands, and for other purposes.

On August 11, 1976, a message from the House of Representatives stated that the House passed without amendment the bill (S. 3735) to amend the Public Health Service Act to authorize the establishment and implementation of an emergency national swine flu immunization program and to provide an exclusive remedy for personal injury or death arising out of the manufacture, distribution, or administration of the swine flu vaccine under such program.

The message also stated that the House agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 14232) making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending September 30, 1977, and for other purposes; that the House receded from its disagreement to Senate amendments Nos. 41 and 65 and concurs therein; that the House receded from its disagreement to Senate amendments Nos. 4, 8, 13, 36, and 48, and concurs therein, each with an amendment in which it requests the concurrence of the Senate; and that the House insists upon its disagreement to Senate amendment No. 68.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

The message further stated that the Speaker had signed the following enrolled bills and joint resolutions:

S. 2642. An act to provide for the establishment of the Ninety-Six National Historic Site in the State of South Carolina, and for other purposes;

S. 3735. An act to amend the Public Health Service Act to authorize the establishment and implementation of an emergency national swine flu immunization program and to provide an exclusive remedy for personal injury or death arising out of the manufacture, distribution, or administration of the swine flu vaccine under such program;

H.R. 1402. An act for the relief of John W. Hollis;

H.R. 5752. An act for the relief of Lucie Stein;

H.R. 6156. An act for the relief of Walma T. Thompson;

H.R. 7896. An act to amend sections 2734a (a) of title 10, United States Code, to provide for settlement, under international agreements, of certain claims incident to the non-combat activities of the Armed Forces, and for other purposes;

H.R. 9414. An act for the relief of TV Facts, Rochester, N.Y.

H.R. 9965. An act for the relief of Boulder Daily Camera, Boulder, Colo.;

H.R. 10374. An act to amend section 2301 of title 44, United States Code, to change the membership of the National Archives Trust Fund Board;

H.R. 12169. An act to amend the Federal Energy Administration Act of 1974 to extend the duration of authorities under such act; to provide an incentive for domestic production; to provide for electric utility rate design initiatives; to provide for energy conservation standards for new buildings; to provide for energy conservation assistance for existing buildings and industrial plants; and for other purposes;

H.R. 13359. An act to authorize the government of the Virgin Islands to issue bonds in anticipation of revenue receipts and to authorize the guarantee of such bonds by the United States under specified conditions, and for other purposes; and

H.J. Res. 738. Joint resolution providing for Federal participation in preserving the Tule elk population in California.

The enrolled bills and joint resolution were signed by the Acting President pro tempore (Mr. METCALF) on August 11, 1976.

MESSAGES FROM THE HOUSE

At 1:35 p.m., a message from the House of Representatives delivered by Mr. Hackney, one of its clerks, announced that the House disagrees to the amendments of the Senate to the bill (H.R. 10339) to encourage the direct marketing of agricultural commodities from farmers to consumers; requests a conference with the Senate on the disagreeing votes of the two Houses thereon; and that Mr. VIGORITO, Mr. POACE, Mr. BERGLAND, Mr. BROWN of California, Mr. RICHMOND, Mr. FINDLEY, and Mr. JOHNSON of Colorado were appointed managers of the conference on the part of the House.

The message also announced that the House disagrees to the amendments of the Senate to the bill (H.R. 10612) to reform the tax laws of the United States; agrees to the conference requested by the Senate on the disagreeing votes of the two Houses thereon; and that Mr. ULLMAN, Mr. BURKE of Massachusetts, Mr. ROSTENKOWSKI, Mr. LANDRUM, Mr. VANIK, Mr. SCHNEEBELI, and Mr. CONABLE were appointed managers of the conference on the part of the House.

The message further announced that the House has passed the bill (H.R. 13372) to amend the Wild and Scenic Rivers Act (82 Stat. 906; 16 U.S.C. 127), and for other purposes, in which it requests the concurrence of the Senate.

At 4:20 p.m., a message from the House of Representatives delivered by Mr.

Berry, one of its clerks, announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 11009) to provide for an independent audit of the financial condition of the government of the District of Columbia.

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

The PRESIDING OFFICER laid before the Senate the following letters, which were referred as indicated:

AGREEMENTS BETWEEN THE UNITED STATES AND ITS NATO ALLIES

A confidential letter providing information required by the Department of Defense Appropriation Authorization Act, 1977, relative to four "offset" agreements between the United States and its NATO allies, signed by the Director, Defense Security Assistance Agency (with accompanying papers); to the Committee on Armed Services.

REPORTS OF THE COMPTROLLER GENERAL

Two letters from the Comptroller General each transmitting a secret report; one describing the current capabilities, problems, and status of the Navy's F-14A/Phoenix weapon system; and one relating to a study of the research and development of high-energy lasers and their use for developing weapon systems (with accompanying reports); to the Committee on Government Operations.

REPORTS OF THE DEPARTMENT OF DEFENSE

A letter from the Assistant Secretary of Defense transmitting 43 secret Selected Acquisition Reports for the quarter ending June 30, 1976 (with accompanying reports); to the Committee on Armed Services.

REPORT OF THE ENVIRONMENTAL PROTECTION AGENCY

A letter from the Assistant Administrator of the Environmental Protection Agency reporting, pursuant to law, on the number of employees and grades employed by the Agency on June 30, 1975, and on June 30, 1976.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that a communication transmitted by the Assistant Administrator for Planning and Management, U.S. Environmental Protection Agency, as required by section 1310 of the Supplemental Appropriation Act of 1952, be referred jointly to the Committee on Post Office and Civil Service, and the Committee on Appropriations.

The PRESIDING OFFICER. Without objection, it is so ordered.

INTERCHANGE OF CERTAIN LANDS OF THE DEPARTMENT OF THE ARMY AND THE DEPARTMENT OF AGRICULTURE

A letter from the Secretary of the Army and the Secretary of Agriculture giving notice of the intention of the Departments to interchange certain lands (with accompanying papers).

Mr. MANSFIELD. Mr. President, I ask unanimous consent that a communication transmitted by the Secretary of the Army and the Secretary of Agriculture relative to the intention of the Departments of Army and Agriculture to interchange lands, improvements and jurisdictions located at Leech Lake Reservoir Project, Minnesota, be referred jointly to the Committee on Armed Services and

the Committee on Agriculture and Forestry.

The PRESIDING OFFICER. Without objection, it is so ordered.

REPORTS OF THE SECRETARY OF DEFENSE

A letter from the Secretary of Defense transmitting two reports of violations of the Anti-Deficiency Act (with accompanying reports); to the Committee on Appropriations.

APPROVAL OF LOANS BY THE RURAL ELECTRIFICATION ADMINISTRATION

Two letters from the Administrator of the Rural Electrification Administration; one relating to the approval of an REA-insured loan to Plains Electric Generation and Transmission Cooperative, Inc., of Albuquerque, New Mexico; and one relating to the approval of a non-REA loan to Western Farmers Electric Cooperative of Anadarko, Oklahoma (with accompanying papers); to the Committee on Appropriations.

PROPOSED LEGISLATION BY THE SECRETARY OF DEFENSE

A letter from the Deputy Secretary of Defense transmitting a draft of proposed legislation to authorize appropriations for construction of facilities on Guam, and for other purposes (with accompanying papers); to the Committee on Armed Services.

PROPOSED LEGISLATION BY THE DEPARTMENT OF THE NAVY

A letter from the Secretary of the Navy transmitting a draft of proposed legislation to enable the Secretary of the Navy to change the name of a publication (with accompanying papers); to the Committee on Armed Services.

REPORT OF THE DEPARTMENT OF THE NAVY

A letter from the Deputy Chief of Naval Material transmitting, pursuant to law, a report of research and development procurement actions of \$50,000 and over for the period July 1, 1975, through June 30, 1976 (with an accompanying report); to the Committee on Armed Services.

REPORT OF THE COST ACCOUNTING STANDARDS BOARD

A letter from the Chairman of the Cost Accounting Standards Board transmitting, pursuant to law, the report of the Board for the year ending June 30, 1976 (with an accompanying report); to the Committee on Banking, Housing and Urban Affairs.

REPORT OF THE EXPORT-IMPORT BANK

A letter from the Chairman of the Export-Import Bank transmitting, pursuant to law, a report on loan transactions supported by Eximbank to certain Communist countries during June 1976 (with an accompanying report); to the Committee on Banking, Housing and Urban Affairs.

REPORT OF THE EXPORT-IMPORT BANK

A letter from the Chairman of the Export-Import Bank transmitting, pursuant to law, a report on the actions taken by the Bank during the quarter ended June 30, 1976 (with an accompanying report); to the Committee on Banking, Housing and Urban Affairs.

REPORT OF THE SECURITIES AND EXCHANGE COMMISSION

A letter from the Chairman of the Securities and Exchange Commission transmitting, pursuant to law, the third report of the Commission on the effect of the absence of fixed commission rates (with an accompanying report); to the Committee on Banking, Housing and Urban Affairs.

INTERNATIONAL AGREEMENTS OTHER THAN TREATIES

A letter dated August 11, 1976, from the Assistant Legal Adviser for Treaty Affairs of

the Department of State and a letter dated August 17, 1976, from the Acting Assistant Legal Adviser for Treaty Affairs, each transmitting copies of international agreements other than treaties (with accompanying papers); to the Committee on Foreign Relations.

NOTICE OF PROPOSED RULEMAKING BY THE SECRETARY OF HEALTH, EDUCATION, AND WELFARE

A letter from the Secretary of Health, Education, and Welfare transmitting, pursuant to law, a copy of a Notice of Proposed Rule Making relating to the child support program (with accompanying papers); to the Committee on Finance.

REPORT OF THE FOREIGN CLAIMS SETTLEMENT COMMISSION

A letter from the Chairman of the Foreign Claims Settlement Commission transmitting, pursuant to law, the annual report of the Commission for the calendar year 1975 (with an accompanying report); to the Committee on Foreign Relations.

REPORT OF THE OFFICE OF MANAGEMENT AND BUDGET

A letter from the Acting Director of the Office of Management and Budget transmitting, pursuant to law, a report entitled "Cumulative Report on Rescissions and Deferrals, August 1976" (with an accompanying report); jointly, pursuant to the order of January 30, 1975, to the Committees on Appropriations, the Budget, Agriculture and Forestry, Commerce, Public Works, Labor and Public Welfare, Banking, Housing and Urban Affairs, Interior and Insular Affairs, Foreign Relations, Finance, the Judiciary, Armed Services, the District of Columbia, Government Operations, and Aeronautical and Space Sciences, and ordered to be printed.

DESIGNATION OF PORTUGAL AS BENEFICIARY DEVELOPING COUNTRY—(S. DOC. 94-250)

A letter from the President of the United States notifying the Senate, pursuant to law, of his intention to designate Portugal as a beneficiary developing country for purposes of the Generalized System of Preferences; to the Committee on Finance, and ordered to be printed.

PETITIONS

The PRESIDING OFFICER laid before the Senate the following petitions which were referred as indicated:

A resolution in tribute to Wright Patman adopted by the Credit Union National Association, Inc.; ordered to lie on the table.

House Concurrent Resolution No. 227 adopted by the Legislature of the State of Louisiana; to the Committee on the Budget:

"HOUSE CONCURRENT RESOLUTION No. 227

"A concurrent resolution to memorialize the Congress of the United States to exercise fiscal responsibility in the spending policies of the federal government by adhering to a balanced federal budget

"Whereas, federal budget deficits are destroying the value of the dollar and undermining the economic future of this nation and it is predicted that fifty percent of the assets of middle class Americans will be lost to inflation within the next five years at the present rate; and

"Whereas, our national debt now approaches seven hundred billion dollars and these obligations total more than twice the total gross national products of all other nations on this globe; and

"Whereas, the finances of the federal government are actually in worse condition than those of the beleaguered city of New York, while the federal government continues to incur greater deficits, and the only

reason the federal government is not bankrupt is that it can print money to cover its deficits while New York City cannot; and

"Whereas fully thirty-four of the fifty states of this nation successfully operate and render necessary services to their citizens under constitutional provisions requiring that they live within their means; and

"Whereas, National Taxpayers Union, in conjunction with legislative leaders in several states, believes that the time has come to bypass Congress and convene a convention upon application of two-thirds of the state legislatures to amend the constitution in order to require a balanced federal budget; and

"Whereas, the Legislature of Louisiana, through adoption of House Concurrent Resolution No. 269 of the 1975 Regular Session, did make application to the Congress of the United States pursuant to Article V of the Constitution of the United States to call a convention for the sole and exclusive purpose of proposing an amendment to said constitution to require a balanced federal budget, thereby joining eleven other states which had previously made similar applications; and

"Whereas, the fiscally irresponsible dependence on deficit spending by government inevitably results in financial disaster, a most recent example being afforded by the plight of New York City, which has until now only narrowly averted such financial disaster.

"Therefore, be it resolved by the House of Representatives of the Legislature of Louisiana, the Senate thereof concurring, that the Legislature of Louisiana does hereby memorialize the Congress of the United States of America to exercise fiscal responsibility in the spending policies of the federal government by adhering to a balanced federal budget.

"Be it further resolved that a copy of this Resolution be transmitted to the presiding officers of the Senate and the House of Representatives of the Congress of the United States and to the members of the congressional delegation from the state of Louisiana."

REPORTS OF COMMITTEES SUBMITTED DURING ADJOURNMENT

Under authority of the order of August 10, 1976, the following reports of committees were submitted on August 20, 1976, during the adjournment of the Senate:

By Mr. PROXMIRE, from the Committee on Banking, Housing and Urban Affairs, with an amendment:

H.R. 3035. An act to require the payment of interest on certain funds of the United States held on deposit in commercial banks, to provide for reimbursement of commercial banks for services performed for the United States, and for other purposes (title amendment) (together with additional views) (Rept. No. 94-1150).

H.R. 12934. An act to promote the independence and responsibility of the Federal Reserve System (together with additional views) (Rept. No. 94-1151).

By Mr. JOHNSTON, from the Committee on Interior and Insular Affairs, with amendments:

S. 400. A bill to establish the Frederick Law Olmsted Home and Office in Brookline, Massachusetts, as a national historic site (Rept. No. 94-1152).

S.J. Res. 139. A joint resolution to authorize the Secretary of the Interior to accept St. Paul's Church, Eastchester, and for other purposes (Rept. No. 94-1156).

H.R. 13713. An act to provide for increases in appropriation ceilings and boundary changes in certain units of the National Park

System, and for other purposes (Rept. No. 94-1158).

By Mr. JOHNSTON, from the Committee on Interior and Insular Affairs, without amendment:

S. 3441. A bill to authorize the Architect of the Capitol to perform certain work on and maintain the historical sections of the Congressional Cemetery for a 2-year period, and to authorize a study by the Secretary of the Interior to formulate proposals for renovation and permanent maintenance of such sections by the United States (Rept. No. 94-1154).

H.R. 10370. An act to amend the act of January 3, 1975, establishing the Canaveral National Seashore (Rept. No. 94-1157).

By Mr. GLENN, from the Committee on Interior and Insular Affairs, with amendments:

S. 3419. A bill to authorize the Secretary of the Interior to establish and operate a National Museum of Afro-American History and Culture at or near Wilberforce, Ohio (Rept. No. 94-1153).

By Mr. JACKSON, from the Committee on Interior and Insular Affairs, without amendment:

S. 3681. A bill to guarantee certain obligations of the Guam Power Authority (Rept. No. 94-1155).

By Mr. MUSKIE, from the Committee on the Budget, adversely, without amendment:

S. Res. 495. A resolution waiving section 402 (A) of the Congressional Budget Act of 1974 with respect to the consideration of H.R. 10138 (together with minority views) (Rept. No. 94-1159).

EXECUTIVE REPORTS OF THE COMMITTEE ON FOREIGN RELATIONS SUBMITTED DURING ADJOURNMENT

Under authority of the order of August 10, 1976, the following reports of the Committee on Foreign Relations were submitted by Mr. SPARKMAN:

Executive H, 94th Congress, 2d session. International Coffee Agreement, 1976, which was open for signature at United Nations Headquarters from January 31 through July 31, 1976, and signed by the United States on February 27, 1976 (Exec. Rept. No. 94-30).

Executive I, 94th Congress, 2d session. Protocols for the Third Extension of the Wheat Trade Convention and the Food Aid Convention constituting the International Wheat Agreement, 1971, open for signature in Washington from March 17 through April 7, 1976 (Exec. Rept. No. 94-31).

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on August 11, 1976, he presented to the President of the United States the following enrolled bills:

S. 2642. An act to provide for the establishment of the Ninety-Six National Historic Site in the State of South Carolina, and for other purposes; and

S. 3735. An act to amend the Public Health Service Act to authorize the establishment and implementation of an emergency national swine flu immunization program and to provide an exclusive remedy for personal injury or death arising out of the manufacture, distribution, or administration of the swine flu vaccine under such program.

HOUSE BILL REFERRED

The bill (H.R. 13372) to amend the Wild and Scenic Rivers Act (82 Stat. 906;

16 U.S.C. 1271), and for other purposes, was read twice by its title and referred to the Committee on Interior and Insular Affairs.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. BUCKLEY:

S. 3756. A bill to grant a Federal charter to the International Veteran Boxers Association. Referred to the Committee on the Judiciary.

By Mr. MATHIAS:

S. 3757. A bill for the relief of Walter Louis Moritz Laqueur and his wife Barbara Auguste Helene Koch Laqueur. Referred to the Committee on the Judiciary.

By Mr. PEARSON:

S. 3758. A bill for the relief of Dr. Nazeem A. O. Abdul-Hadi. Referred to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. BUCKLEY:

S. 3756. A bill to grant a Federal charter to the International Veteran Boxers Association. Referred to the Committee on the Judiciary.

Mr. BUCKLEY. Mr. President, I am today introducing a bill which would grant to the International Veterans Boxers Association a Federal incorporation charter. That association, which is non-profit, nonpolitical, and nonsectarian, currently has 23 chapters—rings—located in 11 different States. The goals of the association includes the promotion of the general welfare of active and retired boxers throughout the United States, and the care of sick and disabled veteran boxers.

Currently, over 300 organizations throughout the country operate under Federal incorporation charters. The New York State Legislature has memorialized the U.S. Congress to introduce legislation to grant such a charter to the International Veteran Boxers Association; and, in view of the salutary goals of that organization, I am introducing such legislation in the hope that this request will be given full and fair consideration.

ADDITIONAL COSPONSORS

At the request of Mr. FANNIN, the Senator from Colorado (Mr. GARY HART) was added as a cosponsor of S. 3737, authorizing appropriations for certain educational programs.

AMENDMENT NO. 2155

At the request of Mr. FANNIN, the Senator from South Dakota (Mr. McGovern) was added as a cosponsor of amendment No. 2155, intended to be proposed to S. 2657, the Educational Amendments of 1976.

CXXII—1705—Part 21

AMENDMENTS SUBMITTED FOR PRINTING

EDUCATION AMENDMENTS OF 1976—S. 2657

AMENDMENT NO. 2204

(Ordered to be printed and to lie on the table.)

Mr. MCINTYRE submitted an amendment intended to be proposed by him to the bill (S. 2657) to extend the Higher Education Act of 1965, to extend and revise the Vocational Education Act of 1963, and for other purposes.

NOTICE CONCERNING NOMINATION BEFORE THE COMMITTEE ON THE JUDICIARY

Mr. EASTLAND. Mr. President, the following nomination has been referred to and is now pending before the Committee on the Judiciary: Wilfred J. Smith, of Virginia, to be a member of the Foreign Claims Settlement Commission of the United States for a term of 3 years from October 22, 1976 (reappointment).

On behalf of the Committee on the Judiciary, notice is hereby given to all persons interested in this nomination to file with the committee, in writing, on or before Monday, August 30, 1976, any representations or objections they may wish to present concerning the above nomination with a further statement whether it is their intention to appear at any hearing which may be scheduled.

ADDITIONAL STATEMENTS

THE NOMINATION OF ELLEN MCCORMACK

Mr. BUCKLEY. Mr. President, during the Presidential campaigns of the last several months, there have been many memorable moments; but perhaps the outstanding instance of courage was the speech at the Democratic Party's national convention by James Killilea, a delegate from the State of Massachusetts. In nominating Ellen McCormack for the Presidency, Mr. Killilea powerfully expressed the concerns of millions of Americans, who are determined to legitimately use the electoral process as a peaceful, constructive means to end the tragedy of abortion.

Mr. Killilea's words were as strong as the necessity for them. And if they have been ignored in some quarters, I nonetheless share his confidence that they will be heard loud and clear this November. The Congress has discovered repeatedly during the last 3 years that the issue of abortion will not simply go away. Nor will those dedicated citizens for whom it represents the most important single moral issue of our time. In tribute to them, to Jim Killilea, and to one of the most remarkable women in American politics—Mrs. Ellen McCormack—I ask unanimous consent that Mr. Killilea's speech nominating her for the Presidency be printed in the RECORD.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

NOMINATING SPEECH FOR ELLEN MCCORMACK

I rise today to nominate a mother of four children. Her name is Ellen McCormack. Although she is not a professional politician, Ellen McCormack has been running for our party's nomination because she saw several months ago what has now actually come to pass—that the Democratic Party was in danger of becoming the party of abortion.

Those who advocate abortion often admit that it takes a human life but they say it does not matter because the unborn child is very small and is totally dependent on the mother. But Ellen McCormack believes that there is no human being too small or too young or too old or too handicapped or too dependent or too anything else not to count. She has a deep conviction that our society—the richest and most powerful in all history—does not need to choose between a mother and her baby. Our country has the resources to respect the dignity of every human life—if only we care enough to do so.

Tonight marks the end of her campaign. On her behalf, I would like to give a brief report to all those who helped her in the many primaries across the country.

Unfortunately, she was not successful in preventing the Democratic Party from becoming the party of abortion. To understand why this is so, I must refer to another candidate for this nomination. I will call him Mr. X because I realize that the mention of his name would allow his supporters to spend several minutes of my time for applause and I am permitted only a few minutes to speak out. Mr. X is the man who will certainly be the nominee of the Democratic Party. He is also the man who recently ordered the Democratic Platform Committee to adopt a strong pro-abortion plank. Ironically, back in Iowa, when Mr. X was but one of many candidates, he achieved his first success in the polls by persuading those who opposed abortion that he believed in their goals. It is now clear that those of us who supported Mr. X at that time were the victims of deception—deception from a candidate who looked us straight in the face and assured us he would never tell a lie.

Nobody is certain what the motives are behind Mr. X's sudden strong advocacy of the pro-abortion position. Perhaps he believes it will help him to obtain active support from the feminist movement. Whatever his motives, Mr. X has made certain that a pro-abortion stand will be not only his view but the view of the entire Democratic Party. Thus, he has disenfranchised millions of Democrats who favor the pro-life cause.

With regard to the platform, Mr. X exerted his power quickly and behind closed doors. The Democratic Party, following his command, arranged things in such a way that those who felt otherwise on abortion would have no opportunity to discuss this question on the floor of the convention. Since the delegates have not been allowed to hear any comments from those who disagree with what Mr. X has done, I would like to quote briefly from two statements that were made by prominent clergymen—one a Protestant and the other a Catholic.

Rev. Harold Brown is the Chairman of the Christian Action Council and professor of theology at Trinity Evangelical Divinity School. Like Mr. X, Rev. Brown is an Evangelical Christian. Expressing disappointment at the way in which Mr. X deceives people with his words, Rev. Brown writes—and I quote directly—

"For someone to say that he is morally opposed to abortion and then that he is against doing anything to stop the present flood of abortions is rather like Pontius Pilate's action in washing his hands at the trial of Jesus. Pilate didn't fool many people then, and this sort of thing will not fool many today. If it

is true that Mr. X personally intervened to change the vote of several platform committee members to get a pro-abortion plank into the Democratic platform, then he is making it clear what he means when he says that his evangelical Christian commitment will not have an influence on his political conduct."

A Catholic reaction to the way in which Mr. X deceived people comes from the Rev. Edward O'Donnell. In an editorial in the St. Louis Review entitled "The Democrats Expel Catholics", Father O'Donnell writes as follows:

"The platform makes it official. The Democratic Party doesn't want Catholics. Oh, it will accept our votes. It will condescend to permit us to be poll-watchers and precinct captains. But as far as real power in the party goes, the Democrats have decided to revive the Nativist slogan: No Catholics need apply. They have read us out of the party.

"... although not all pro-life people are Catholic, the vast majority of Catholics are pro-life. No matter—because it just doesn't make any difference to the Democratic Party what Catholics think ...

"Don't look for a strong plank in the platform on busing for racial integration—it might offend blacks, or conservative whites. Don't look for strong planks in the platform on right to work laws, on the dissolution of ground-to-tank oil companies, or on the conflicting claims of environmentalists and energy producers. Such planks might offend people whom the Democrats consider important. But there is a plank on abortion. It can only offend Catholics—and who cares about them?"

Perhaps these voices are only isolated ones. Only time will tell. But it is important for those who oppose abortion to realize that, in officially becoming the party of abortion, the Democratic Party and Mr. X are not only saying something about themselves but they are saying something about us as well. They are saying that we do not care enough about this issue to protest what they have done. They are saying that a few soothing words will calm us down. They are saying that there are not enough of us to make any difference. Only if we prove them wrong on Election Day will they begin to move in the other direction.

There are those who say that it really does not matter if politicians deceive the public about their actual intentions. After all, they tell us, a skillful politician like Mr. X should be expected to do this. In their view, a politician is like a magician—both are in the business of deceiving people. The only difference is that the magician uses his hands to deceive while the politician uses his mouth.

But I do not think it is true that a politician should deceive the people. To be sure, we know it happens, but we always hope for something better. Unfortunately, for this year at least, it will be politics as usual within the Democratic Party.

Finally, as a matter of record, I think the public should be aware of an action that was recently taken by the Democratic National Committee. The Democratic Committee had previously announced that all Presidential candidates would be given access to the convention so that they could have a section on the floor where delegates could visit them. Mr. X, for example, was allowed thousands of feet of floor space. The McCormack campaign requested one small thing—enough space for a card table on which materials could be placed in case delegates were interested. The total space involved amounted to 5 feet. The Democrats responded by denying to Mrs. McCormack any space whatever, and, as a result, the card table is now set up in a hotel room a block away from the convention.

It is very hard for me to understand why

the forces of Mr. X are so vengeful toward Mrs. McCormack. Mr. X has almost two thousand delegates—Mrs. McCormack has a handful. By excluding all space whatever for the McCormack campaign, it seems to me that Mr. X is like the millionaire who—not content with having a million dollars—found it necessary to take away the five dollars that was possessed by his neighbor. Even this present speech would probably have been banned had Mr. X known in advance what I would say.

To me this raises a very serious question about Mr. X. If he finds it necessary now to use his power in this way, then how will he use his power as President?

As for those of us who believe strongly in the Right to Life of every human being from the first moment of conception to the last moment of death, we have no intention of giving up. Faced with a Democratic Party and a Supreme Court that supports abortion, we say today what William Lloyd Garrison said a century ago—when faced with a Democratic Party and a Supreme Court that supported slavery.

We are in earnest; we will not equivocate; we will not excuse; we will not retreat a single inch; and we will be heard. We may be personally defeated but our principles never.

It is in this spirit that I nominate Ellen McCormack for President of the United States.

FARMERS SUBSIDIZING THE REST OF US

Mr. SYMINGTON. Mr. President, in the August issue of Today's Farmer, Mr. Fred V. Heinkel, president of the Mid-continent Farmers Association and one of America's most highly respected agricultural leaders, calls attention to the plight of American agriculture.

Commenting on a USDA pamphlet, the author reminds us that the very foundations of our high standard of living are the efficiency and productivity of the American farmer. But in reward for these economic virtues, which would assure high profits in almost any other industry, the farmer-businessman averages only \$2.86 per hour for his labor, with no return on his investment. These low returns amount to a subsidy by the farmer for the rest of the country.

Mr. Heinkel believes the lack of adequate economic incentive for producers could result in the eventual destruction of our highly efficient agricultural system, which in turn would bring food scarcity and even the loss of our present living standards. He wisely calls for an improved government program to assure that the farmer's return on his labor and capital will be sufficient to guarantee that Americans will continue to "live so well."

I ask unanimous consent that this article, by one of American agriculture's most articulate spokesmen, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WHY AMERICANS LIVE SO WELL

(By F. V. Heinkel)

A recently-released USDA pamphlet emphasizes one fact of which every person should be reminded:

An efficient and productive agriculture enables Americans to eat well and have enough

money left over to upgrade the other elements of life-style.

Entitled "The Secret of Affluence," the 18-page booklet notes that U.S. citizens are spending only about 17 percent of their disposable income for food.

"After food needs are met, they can use the rest of their income for other things," the pamphlet explains. "They can dress better and have better homes ... own cars ... watch color tv ... eat out occasionally ... spend money for personal entertainment, give children music lessons and an opportunity to join clubs and go to college, take the family on weekend trips and vacations and enjoy life."

The USDA pamphlet fails, however, to emphasize one other factor in agriculture's contribution to American affluence. Through relatively low prices for farm products, farmers are subsidizing the life-style of consumers in this country.

That fact comes to light as you analyze the USDA summary of farm income and expense figures for 1975—which, relative to some other years, was not a bad year for farmers.

In return for providing food and fiber for himself and 56 other persons last year, the farmer got a return of just under 3.5 percent on his investment with nothing for his labor, the USDA pamphlet says. Or, to put it another way, the farmer received \$2.86 per hour for his labor with no return on his investment.

Either way, it's hard to see how the farmer can stay in business.

Those figures, I remind you, come from an agency that is headed by a man who likes to tell us how well farmers are doing in the absence of a meaningful government farm program. So they must be valid.

Without pin-pointing the problem, the USDA pamphlet observes that farmers need economic incentive to produce food and do it well.

If farmers do not make money producing food, consumers will suffer eventually from food scarcity, the pamphlet warns.

My question: with such low returns, how can agriculture attract the capital and labor needed to maintain its efficiency and productivity?

This question, I submit, merits the attention of all Americans. At stake is food for the future and—as the USDA pamphlet implies—our life-style in the years ahead.

In the interest of all Americans, a way must be found to improve the returns to capital and labor involved in agriculture. In other words: To improve farm prices and farm income so that efficiency and productivity can be maintained and encouraged.

What's needed is an up-dated and improved government farm program—one that will protect farmers from price disaster, improve returns to capital and labor and provide incentives to maintain an efficient and productive agriculture.

Because the Agriculture and Consumer Protection Act of 1973 expires next year, the Congress we elect in November will have an opportunity to write the kind of farm law that's needed. And the President we elect in November will have an opportunity to provide leadership and direction.

Let's be sure they understand what's needed.

VERTICAL DIVESTITURE IN THE PETROLEUM INDUSTRY

Mr. THURMOND. Mr. President, in my years in the Senate, I cannot recall nine Government departments and agencies joining hands to so strongly oppose a bill. They have done so in the case of S. 2387.

The real energy problem facing our country in this election year is not making a "whipping boy of big oil." We have adequate antitrust laws to correct any misconduct on the part of the oil companies. Thomas E. Kauper, former Assistant Attorney General of the United States, Antitrust Division, agreed with the proponents of this bill on many provisions of S. 1284/H.R. 8532, the so-called Antitrust Improvements Act of 1976. He was cited then many times with satisfaction and approval by the proponents of S. 1284/H.R. 8532. The proponents of that bill are the same Senators who now propose to break up the oil companies with S. 2387. Thomas E. Kauper says they are wrong on S. 2387. He agrees with those of us who oppose this bill. In his testimony against S. 2387, he said in speaking of how to handle misconduct on the part of the oil companies:

The traditional approach to these kinds of behavior abuses is to move against them directly under either the Sherman Act or the Federal Trade Commission Act. In the last ten years, for example, the Department alone has initiated 193 investigations into the petroleum industry and instituted 34 cases.

Our Nation's real energy problem is being avoided by the proponents of S. 2387. They choose to appeal to emotion rather than reason. Fortunately, most Americans are aware of the proponents' political ploy. They recognize our problem. Simply put, it is conservation of energy, finding new sources, producing energy more efficiently from old sources, and reducing insofar as is possible our reliance on foreign oil. This is the issue we need to address and solve in the Senate now. A solution would keep the industrialized economy of America on the move.

S. 2387, the vertical divestiture bill, will only paper over our real energy problem. That is all it could achieve. Few Americans are duped. They know that playing sleight of hand games with the structure of oil companies is not the answer. They know that this bill will not help us to find energy, produce it more efficiently or conserve energy. This bill has been correctly labeled by one newspaper editor in my State as a disaster design. Who will pay for the folly of the Senate should this bill pass? The American consumer will pay. The economy of our country will suffer, and the impact will be felt by hard-working Americans throughout the land.

It is nonsense to create a problem by passing S. 2387. We should move to the business of finding solutions to the one we now have.

Some editors of well-respected newspapers in my State have taken positions on S. 2387. I wish to call the attention of the Senate to their views. The first one appeared in the largest newspaper, the State. Two have been written by the editor of the Columbia Record. The Charleston Evening Post, the Greenville News, and the Orangeburg Times and Democrat have also taken positions on the oil divestiture issue. All oppose S. 2387, the vertical divestiture bill.

Mr. President, I ask unanimous consent that extracts from two of these editorials and the remaining four editorials be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Orangeburg (S.C.) Times and Democrat, Aug. 3, 1976]

BELIEFS VERSUS FACTS

Apparently most Americans are confused about the facts surrounding the oil industry in the United States. And, since Congress seems to be on its way to vote divestiture of the major oil producers, we wonder whether the congressmen and senators, themselves, have the underlying information on them.

For instance, an overwhelming majority of Americans continue to overestimate oil industry earnings by as much as 1,100 per cent.

And most Americans mistakenly believe the largest oil company controls at least 20 per cent of the gasoline market.

Those facts were disclosed in a market research report made by one of the larger oil companies and based on a survey made which we have no reason to doubt because of the standing of the company.

Other information released in the report showed that only one in four motorists knew the average net profit was five cents per dollar of major oil company sales in 1975. Other respondents in the survey thought the average net profit was from 15 to 55 cents per dollar of sales.

A surprising 78 per cent of the balanced panel of motorists thought the nation's largest oil company, Exxon, had from two to five times more than its actual nine per cent of the retail gasoline market.

One market research director said responses to some parts of the survey questionnaire indicate that motorists understand some basic facts about the oil industry, but they continue to overestimate industry profits and underestimate competition.

"Although two of three motorists correctly cite the cost of an imported barrel of crude oil at \$13 and nearly half know that a barrel contains 42 gallons, these same motorists fail to perceive that no oil company controls as much as 10 per cent of the petroleum market and that industry profits are only about five cents per sales dollar," he said.

The motorist survey consisted of a nine-part oil industry facts quiz with multiple-choice answers such as the following on "monolithic concentration" of the industry:

"Last year the largest automobile manufacturer, General Motors, accounted for 46 per cent of all cars sold in the United States. The largest oil company, Exxon, last year accounted for what per cent of gasoline sold at service stations in this country?"

Only 15 per cent of the respondents checked the correct answer of nine per cent. Fifty-six per cent answered that Exxon had 20 per cent of the market, and 22 per cent thought Exxon sold 48 per cent of all gasoline.

Nearly seven of every 10 motorists thought oil industry profits are 300 to 1,100 per cent higher than actual profits. The results are only slightly improved over a similar study in September, 1975, when 75 per cent of motorists vastly overestimated oil industry profits.

Everyone seems to jump on the oil industry, probably because of the oil crisis. But the beliefs surrounding that industry don't jibe with the facts.

[From the Columbia (S.C.) Record, Aug. 6, 1976]

ENERGY SILENCE

Let's face it: we Americans are steadily and deliberately, if not wisely, moving toward another energy crunch. We're not as energy conscious or as conservationist-inclined as we were when we lined up at the gas tanks during the Arab oil embargo.

The truth is not that we are without an energy policy, as some assert. We've got policies and policies, which aren't being wholly observed. Why? Because we don't realize the proportions of the problem we're creating.

Take petroleum. Just about everybody knows, at least vaguely, that petroleum (oil and natural gas) has been used by man for more than a century, that oil furnishes over half of the world's energy, that oil and gas supply more than three-fourths of the U.S. energy, and that by necessity petroleum must continue to furnish large portions of global energy through the rest of this century.

But federal Energy Administrator Frank Zarb knows that imports of oil, which accounted for 33 per cent of U.S. needs before the embargo, now run at the 40 per cent level and are climbing.

Consider these facts: in 1970, petroleum imports were valued at \$3 billion; in 1975, after a 500 per cent increase in the price of oil, the cost flashed to \$27 billion; and next year, cost of imports will be about \$35 billion.

That's not all. We're using relatively less oil from friendly foreign suppliers and more from the Organization of Petroleum Exporting Countries (OPEC). The OPEC cartel provided 48 per cent of all imports in 1973, 59 per cent in 1975 and the total is rising.

In short, we're more susceptible to an embargo today than we were in 1973.

Zarb is honest. He says: "Even if there were an Arab-Israeli settlement, that doesn't guarantee oil supplies. We don't know the next issue that OPEC will use as a lever. Face it: oil is a political weapon."

Not only for OPEC. Oil is a political weapon in this land and while the major oil companies endeavor earnestly to wrestle in their fields and research labs to supply our energy needs, some politicians harass them to death. Some want to break 'em up, foolishly and disastrously.

Conservation? What ever happened to our "policy" by which we'd help each other cut imports to six million barrels a day by 1985, or to 25 per cent of consumption, and to build a security stockpile of three billion barrels a day? We're not doing it. We're consuming energy like there's no tomorrow.

Who's concerned? The overly-maligned oil folk are. They suggest that we should use oil for transportation fuels; lubricants and petrochemicals; natural gas for domestic heating and cooking; and coal and nuclear power for large-scale industrial heating and electrical generation. They KNOW there's a tomorrow and the petroleum people know the headaches that continuous consumption without conservation will bring.

In the interim, folks, it's an election year. Nobody's really going to confront the American people with the rough facts and tell us that our gross overuse of energy directs us toward potential disaster.

Policies are present. Ideas are abundant. Facts are computerized. But priorities and tough political decisions, at national and international (as well as personal) levels must be made. However, not until after a November election. Meantime, we'll burn gas along with the touring politicians.

[From the Charleston (S.C.) Evening Post, June 17, 1976]

BREAKING OIL'S BACK

Little is good; big is bad. This, at least, seems to be the philosophy that persuaded the U.S. Senate Judiciary Committee to approve, by an 8-7 vote Tuesday, legislation that would break up Exxon, Gulf Oil, Texaco and the other giant corporations that are the backbone of the U.S. oil industry.

The Oil Industry Vertical Divestiture Bill, S. 2387, is the work of Senate liberals who are convinced the solution to the nation's energy crisis lies in the shattering of an integrated oil industry into its component parts. Divestiture would forbid any one company from engaging in more than one of the industry's four principle activities: production, refining, transportation and marketing.

The kindest thing that can be said for this legislation is that it is consistent with other congressional initiatives to combat the energy crisis—that is, it qualifies as arrant nonsense. No evidence whatsoever has been presented to show that U.S. consumers will benefit one bit from this legislation. If signed into law, it will, in all likelihood, further diminish domestic production, increase consumer costs, and make the U.S. more dependent than ever on the whims of OPEC.

The bill will be debated on the Senate floor sometime after the July 4 congressional recess. We take note that Sen. Strom Thurmond cast one of the dissenting votes in committee, and we are confident he will continue the fight against this ruinous legislation when it is considered by the whole Senate.

[From the Greenville (S.C.) News, June 15, 1976]

ENERGY CHAOS

Congress has played around and done little to solve or alleviate the country's energy problem, which is getting worse progressively. Bills enacted so far have been more cosmetic than substantive, and have done nothing but postpone inevitable additional price increases.

Instead of finally getting down to work on real solutions, Congress now is monkeying around with proposals to make conditions even worse. Taking off after a convenient whipping boy, "Big Oil," the Senate is considering measures to break up the 20 largest oil companies by forbidding them to continue their integrated operations.

Instead each company would have to become four firms—one to find and produce crude oil, another to refine it, a third to transport it and a fourth to market it. This sounds good because it would create 60 new companies to "compete" in the oil business. But that argument is as phony as a \$3 bill.

Divestiture or break-up of the oil companies along those lines would create not one additional producer, not a single new refiner, not one transporter, not one marketer. It would do absolutely nothing to create worthwhile competition, to increase available supplies of oil or to reduce the costs of finding, producing, refining, transporting and marketing oil.

Actually the idea, if enacted into law, would have the opposite effect. It would create additional administrative or overhead costs at each step of the process of getting oil into the hands of consumers.

It would require additional profit margins, since each of the four independent firms would have to earn profits, whereas now losses in one sector can be offset by earnings in another. These two factors would combine to raise the prices of oil products to consumers.

Worse still, the proposed break-up would weaken the oil companies and dilute their

resources at a time when strength and resources are needed to finance the task of finding increasingly scarce new sources of crude oil. This includes exploration on land inside the United States, off American shores and in foreign areas. It is possible that a severe shortage of oil would occur almost immediately, once the forced break-up had taken place.

In addition, the divestiture process would severely disrupt the flow of oil from wells to consumers—at least for a fairly long period of time, as the new companies adjusted.

That adjustment would include an inevitable scramble for available supplies, meaning that competition among the producing, refining, transporting and marketing companies would be in the form of bidding against each other. That would produce a situation in which oil which now moves smoothly from wells to consumers would move to those organizations willing to pay the highest price for it at each step of the process.

All of this flies in the face of the country's real energy needs—to move toward self-sufficiency as rapidly as possible by increasing efficiency in production and conservation wherever possible and by working on new sources of energy. These needs are best served by so-called integrated oil companies.

Chances are slim that any divestiture bills will become law this year, since a presidential veto is inevitable even if Congress should be so unwise as to pass one. But it is unfortunate and disheartening that Congress is wasting a lot of time on measures like this when so much needs to be done on energy and other problems.

[From the Columbia (S.C.) State, June 13, 1976]

IF CONGRESS SPLINTERS OIL FIRMS, WHAT NEXT?

The issue of divestiture is not likely to be settled one way or the other by this week's congressional action, but a vote Tuesday in the Senate Judiciary Committee may well indicate whether Congress is determined to break up the nation's major oil companies.

Realistically "dismemberment" would be a more descriptive and certainly a more easily understood term for what a number of congressmen have in mind when they speak of "divestiture." They mean to enact federal laws which would splinter the big petroleum firms into a number of separate entities. No one company would be permitted to engage in exploration and production, refining, transporting, and marketing at the same time. Instead, such "vertical integration" would be prohibited.

The theory behind this movement (and we say "theory" because precious little has been presented in the way of facts upon which to base a persuasive prediction) is that divestiture would produce greater competition and thereby better serve the public.

Against the fuzziness of this argument, however, is a wealth of data which the oil industry presents in refutation of assertions that its current structure is monopolistic and anti-competitive.

Along with groups as diverse as the U.S. Department of Agriculture and the American Petroleum Institute, the Chamber of Commerce of the United States strongly opposes dismemberment. According to the U.S. Chamber, independent oil companies have increased their gasoline sales from 19 per cent of the market in 1967 to 31 per cent in 1975. The top four major oil marketers jointly enjoy only 30 per cent of sales, a figure 10 per cent below the average enjoyed by the leaders in all other manufacturing enterprises.

Out of this rancorous debate over the petroleum industry arises another worrisome

question: If the Congress undertakes to break up the oil firms through government regulation, how long will it be before other industries will suffer the same fate?

For our part, we are willing to take our chances within a free enterprise system rather than have business and industry manipulated by and for political interests.

[From the Columbia S.C. Record, June 18, 1976]

"DISASTER DESIGN"

Unless the people rise up in their wrath, the Senate of the United States could succumb to a passing political prejudice and damage us all by forcibly breaking up our major oil companies. The alarm bell rang the other day when the Senate Judiciary Committee, by a narrow 8-7 vote, decided to report the vertical divestiture bill (S. 2387) to the Senate floor.

Fortunately, there's time remaining for the people to send their messages. Senator Mansfield says that debate won't be possible until after Congress returns from its July 4 recess.

Opponents of the major oil companies like Senator Birch Bayh of Indiana have constructed a bogeyman of straw. Their arguments cannot withstand even the gentlest winds of truth and topple—like straw. They want to limit major oil companies to do business in only one phase of oil operations. Companies would be federally directed to reorganize so that exploration and production, refining, transportation and the various phases of marketing are each separately owned and managed. This is called "vertical divestiture."

What's wrong with vertical integration? The free market notion is centuries old and didn't come to the oil industry by happenchance. In fact, the first of our major oil companies were not vertically integrated. Then, somebody found that by vertical integration, his company could sell its products to us (the consumers) less expensively than his competitors. So, others were forced by the economics of the open market to follow suit.

Dozens, literally dozens, of other businesses in our land are vertically integrated. And if the government can order one dismantled, it can order all.

Let us comprehend some facts. The oil industry is not dominated by a few large companies in which oil operations are concentrated and these can't control supply to drive up prices and compete unfairly.

The industry doesn't make exorbitant profits, doesn't freeze out independent competitors, doesn't withhold oil to drive prices up, doesn't control OPEC, doesn't expand unwholesomely into other industry areas like coal, and doesn't misserve the American consumer.

Vertical divestiture would force our government to explore other energy sources alone (driving up our taxes), would interrupt our supply of petroleum products for an indeterminate time, would completely disrupt short-range and long-range planning, would increase our dependence on foreign supplies, and would sharply increase your costs of energy over the long haul.

Hence, if you want to pay more for your gasoline as you drive up to the pump, go ahead—be FOR divestiture. But remember, right now you're paying less than a lot of other folk around the world. If you want to pay the Italian price, \$1.72 per gallon; the Mexican, 64 cents; the Belgian \$1.48; the West German \$1.34; the French, \$1.22; the Irish, \$1.39 prices, then happily applaud the nonsensical proposition of Senator Bayh et al.

We oppose divestiture as a design for dis-

aster involving the consumers of Carolina and the nation.

DECLARATION OF BROADCAST FREEDOMS

Mr. PROXMIRE. Mr. President, a resolution adopted by the board of directors of the National Association of Broadcasters this year sums up the reasons why this Nation's radio and television stations should have the same first amendment rights as newspapers.

When those rights are extended—as they must be—then the citizens of this country shall enjoy the full protection from governmental control of their sources of information as was intended by the writers of our Constitution.

This NAB resolution, the form of a loose paraphrase of our noble documents of self-government, recognizes the importance of sustaining our American freedoms.

Mr. President, I ask unanimous consent that the NAB's Declaration of Broadcast Freedoms be printed in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

DECLARATION OF BROADCAST FREEDOMS

We, the broadcasters of the United States, in order to preserve and encourage a more perfect union of our country, insure the freedoms granted to us all 200 years ago, and to maintain the blessings of liberty to ourselves and our posterity, do hereby ordain and proclaim our intention to pursue, protect, and implement the rights of the electronic press under the guarantees of the freedoms granted to all Americans conceived of and inspired by our forefathers under the First Amendment of the Constitution of the United States.

A nation divided with different freedoms cannot long prevail. Our country today struggles with its freedoms in an atmosphere clouded by basic conflicts on one hand of narrow concerns for self advantage created by the pressures of those who would use government and the courts to shape society to serve their own interests, and on the other hand by the mechanisms created by our forefathers to permit a responsible press to speak freely by provoking thought, stimulating action, and protecting us all from the ongoing encroachments of government. The free press was created as a unique institution to preserve our freedoms, unique also in that it was not then, nor is it now, capable of providing access to all who would want an audience for their own special purposes.

The noble purpose of America as promulgated in the Declaration of Independence and the Constitution has been obscured and distorted by the role of government according to demands of some of our citizens while compromising the very same freedoms guaranteed to them through an ever alert, vigilant, and provocative press.

While our founding fathers could not have conceived an electronic medium that would both inform and entertain an entire nation both simultaneously and independently in a system of 9000 voices throughout the country, we believe they would have, in their wisdom, understood that such a system of communications could and would be the very essence of the real diversities that further guarantee a highly informed and free society. To impose a common mold on our press by government decree would have been

an anathema to the very vision and beliefs they held so dear. Indeed, it would have emulated the dangers of the very tyrannies from which they chose to escape.

We hold these truths to be self-evident, that all media are created equal, that they are endowed by our creators with certain inalienable rights, that among these are the right of free expression of content and viewpoint, the right to freely report news and information, the right with responsibility to provoke, investigate, and advocate, the right to self-integrity in serving the public interest.

But, when a long train of restraints, usurpations, creeping and overt controls further threaten to control and inhibit the principal communications of the 20th century, then it is the right and the duty of those entrusted to program and to inform our nation to petition the government to alter their systems of controls.

The people of our nation begin their second two hundred years lacking faith in their institutions and in their leaders; they live in a society of fear for their safety where they should have no fear, and indeed many even now doubt the written and electronic press created to protect their freedoms. James Madison noted "there are more instances of the abridgment of the freedom of the people by gradual and silent encroachments of those in power than by violent and sudden usurpations." Today our government has shown itself only too willing to obligate those who say "there ought to be a law" and while the broadcasting industry freely admits some may not achieve the higher aspirations of most, our democracy was founded upon the right of free expression and free enterprise in response to the public interests and taste, and these rights provided the right for human error.

Surely self-regulation is better than government control. But by what yardstick does government proclaim that 9000 broadcasters would be any less responsible with their freedoms than the 9000 newspapers whose influence becomes less as broadcasting's becomes greater? By what yardstick can the government judge the propriety of one viewpoint compared to another, one issue compared to another, or why or how controversy should or should not be treated? By what right does the government inject itself into a freethinking marketplace, to impose common molds upon all when these same 9000 offer the very opportunities for diversity which our citizens now demand?

There have been fears in our history of the power of the press. There are those now who would fear the power of broadcasters to shape issues and events. Recent history would suggest otherwise. Indeed the greatest protections from such fear is the very diversity a liberated electronic press would provide, an electronic press with built-in checks and balances through competition and regular accountability of their public trust.

Our forefathers, in their wisdom, created a system of broadcasting on one hand to permit free expression while specifically denying themselves the right of censorship over those to whom they would grant a license, and, in their wisdom, they chose to allocate a frequency so long as it was used to perform in the public interest, convenience, and necessity.

But in forty years, under pressures and challenges by a free society, our government and courts have slowly encroached upon the very essence of the safeguards created in the First Amendment. It has not been, we believe, a design of either tyranny or suppression, but the cause and effect has been and continues to be an abridgment of, and a direction towards, dangers as real and perverse as those which our forefathers courageously faced in

seeking separation from their government 200 years ago. It has been said that truth is violated by falsehoods, but it is outraged by silence. Never before in our history has there been more need for a courageous and challenging press. Never before in our history has there been a greater need for journalism to seek the truth, inform the public, and help guard our mutual goals of life, liberty, and the pursuit of happiness. Daniel Webster said "God grants liberty only to those who love it and are always ready to guard and defend it," and never before has a society had such a means of communications which could so alert and enlighten its citizens.

Therefore, we, the broadcasters of these United States, do hereby resolve that we will increase our vigilance in defending our rights to stand equal to the written press, that we will ever more constantly look to our disciplines and our responsibilities, that we will work with our government to insure our public trust through the use of the airways, and that we will use every proper means to defend, on behalf of those we serve, their inalienable rights to have a free electronic press.

We take this solemn pledge knowing full well that like those few who may have failed to hold the public trust in the free press during two hundred years, there will be those in broadcasting who may also fail to hold public trust. This, we believe, is, nonetheless, in the spirit of the genius of our forefathers who visioned a free society, governed by the consent of the governed, and balanced by the assurance that a free press would protect and insure our freedoms.

(Resolution passed by The Board of Directors, National Association of Broadcasters, June 17, 1976.)

THE U.N.'S IDEA OF A FREE PRESS

Mr. THURMOND. Mr. President, recently, an editorial by William Randolph Hearst, Jr., concerning UNESCO's influence on the world press, was brought to my attention. This informative and articulate article, entitled "The U.N.'s Idea of a Free Press," appeared in the Baltimore News American on August 8, 1976. It calls our attention to the repressive and censorial effect that UNESCO, the United Nations Educational, Scientific, and Cultural Organization, is having on the free expression of ideas in newspapers throughout the world. UNESCO advocates government-operated news agencies to control the flow of information from within and from outside a country—a scheme to control the free press.

Mr. President, I ask unanimous consent that the article be printed in the RECORD so that my colleagues may have the advantage of Mr. Hearst's editorial.

There being no objection, the article was ordered to be printed in the RECORD, as follows.

[From the Baltimore News American, Aug. 8, 1976]

THE U.N.'S IDEA OF A FREE PRESS

SAN SIMEON.—When radical politicians decide to control a nation by force one of the first things they do is seize or silence the free press. Lenin did it in 1917. Hitler did it in 1933. All other dictators throughout the years of both the extremes of the left and the right have done it—in fact, must do it to keep themselves in power.

Today the threat to a free press is virtually worldwide and a vast international

conspiracy exists, directed by the United Nations Educational, Scientific and Cultural Organization. UNESCO is one of the leading Moscow-directed anti-democratic agencies operating out of Paris under the banner of the UN. But more about that later.

UNESCO's goal for the press: to have government-operated news agencies in each nation disseminate news from within and from outside the country. It seeks to foster this policy in all of the so-called "Third World" nations, and the frightening—yes, horrifying—truth is that it is succeeding.

We in America who understand the stark necessity for a free press and realize that we would not be free if we did not have a free flow of news and information, may not be able to comprehend what it would mean if three-fourths of the world were isolated from us by news blackout.

We are accustomed to a steady flow of news and information from all parts of the world, brought to us by The Associated Press, the giant newspaper cooperative, by United Press International, the resourceful independent American wire service, the worldwide and responsible British Reuters and the French Agence France-Presse.

It is these four independent and reliable news agencies that are the primary target of the UNESCO-inspired program of worldwide censorship. This is baldly stated in some of the papers prepared for presentation at UNESCO's conference last month in San Jose, Costa Rica, called for the purpose of forming "mass communications policies."

One such recommendation asked for legal measures—in each country, of course—to permit the arrest of correspondents from international press organizations "if their newspapers or wire services published anything critical of the country where the correspondent was stationed."

Just what does "critical of the country" mean? If some bully dictator executes a group of dissident citizens by a firing squad and a member of the foreign press reports it, he can then be arrested for writing something "critical." Clearly this is a monstrous attempt to repress the press.

The dictators of these small, emerging countries do not want UPI and AP to continue in the role they now fill, and through UNESCO they are trying to oust the tellers-of-truth from their lands. The governments alone want to tell us what is going on in their countries, and if we place little credence in what they say, so what? After all, it is their own people whom they want to keep in ignorance, not only of what goes on in their own countries, but of what transpires in the rest of the world. Thus, in effect, by controlling news in their own countries, they will be controlling news elsewhere, effectuating what is tantamount to a global news blackout.

As Americans, our attention is turned inward these days, to our all-absorbing presidential campaigns, our myriad domestic problems, our plans for the future. But we must not become so absorbed as to allow this Marxist branch of the UN to isolate us and the Western World from the rest of this ever-shrinking planet.

Even as our attention is directed to Kansas City next week when the Republican National Convention is gavelled to order, the heads of state of Third-World countries—the euphemistically-dubbed "non-aligned nations"—will meet that same day in Colombo, Sri Lanka, the former British Crown colony in the Indian Ocean that was once called Ceylon. The purpose of the meeting will be to ratify a draft constitution of the "news pool" that was approved at a similar conference in New Delhi, India, earlier. That conference was sponsored also by UNESCO, but naturally was blessed by In-

dira Gandhi who recently killed the free press in her country and expelled foreign journalists.

The Delhi constitution, drafted by 58 countries, would create a pool of government-controlled news agencies. They would present official versions of events in each country, and distribute this as "news" as a substitute for fare now supplied by UPI, AP and the other independent agencies.

The highest authorities of UNESCO have repeatedly claimed that it is not their intent to limit or undermine freedom of expression. After the Costa Rican conference, The Associated Press quoted the director general of UNESCO, Mahtar M'bow, of Senegal, as stating: "The UNESCO position was always very clear. UNESCO is in favor of total freedom of information."

I would say that what is clear is that UNESCO is more in favor of double-talk and propaganda.

The original directive for the UNESCO guidelines was proposed by the Soviet Union and Byelorussia in 1972. Meetings for further defining the guidelines were held in Bogota, Colombia, in 1974 and in Quito, Ecuador, in 1975.

This Marxist approach to journalism has united the small developing countries of both the radical left and the ideological right (though there are far more of the former). The reason is obvious: The leaders of these countries have great fear of the truth, and tragically, one must assume that a majority of people living in those countries are either too dumb to understand what's happening to them or just don't care.

Information from a country where the press is controlled is never to be trusted. Herewith one recent simple example. The Soviet Union has published what it considers an important work of literature and has recommended it as reading matter for the Soviet armed forces. It is called "The Basic Principles of Operational Art and Tactics," and was written by Col. Vasily Yefisovich Savkin.

Col. Savkin writes: "The employment of two atomic bombs also did not play a decisive role in the capitulation of Imperialist Japan, since total victory over Japan was achieved as a result of the destruction of its Kwantung army by the armed forces of the Soviet Union."

That's a direct quote, friends. And it is the "truth" as it is understood in a country which controls its press. So while the happenings in Kansas City may be interesting to us, the event in Sri Lanka must be considered as having more significance for the world's future.

The word "News" is derived from the initials of the four major points of the compass—North, East, West and South. It would be a tragic word indeed, if only the people of the "W" world got the accurate message.

THE MODEL PETROLEUM INDUSTRY

Mr. PHILIP A. HART. Mr. President, in its advertising efforts the petroleum industry has been attempting to portray itself as a model with perfect, if not atavistic, competition. It would have us believe that it is composed of a large number of firms each possessing a small percentage of the market and subject to rigors of a harsh and impersonal market. In this market, there is no possibility of monopoly profit, waste, or inefficiency. Each firm must obtain its input as cheaply as possible and sell its products at a price permitting only modest survival.

Now and then, however, the proponents of this viewpoint must find themselves confronted by evidence that is difficult to reconcile with the theory. For example, several weeks ago U.S. Oilweek published an article which claimed that the leaders of the National Oil Jobbers Council—NOJC—had been jointly negotiating with the top management of several major companies. This fact by itself is somewhat surprising since collective bargaining between groups of private firms is at least questionable under the anti-trust laws. But what is more remarkable is the claim that the bargaining was not simply over business questions such as price and supply contracts but involved the question of whether the Jobbers Council would give political support to the major oil companies in their battle against divestiture legislation. One might well ask what it is the major oil companies were bargaining with if they have no market power. How can they afford to give the jobbers a "deal" which will in effect buy their political support without monopoly profits. It would seem that the very existence of such bargaining indicates not only a substantial element of market power but also demonstrates in an exceptional way how that market power translates into political power. I ask unanimous consent that the Oilweek article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the U.S. Oilweek, July 12, 1976]

NOJC POISED TO OPPOSE DIVESTITURE

Satisfied at last that top leaders of big oil companies are becoming sympathetic to jobbers' problems, the National Oil Jobbers Council looks ready to come out against vertical divestiture this week.

In the two months since NOJC offered a tradeoff to the majors—a political stance against vertical divestiture in exchange for more security-jobber leaders have met with top executives of several major oil companies.

The meetings have been "well above the marketing vice president level," NOJC leaders say.

Nothing concrete came of the meetings—nothing NOJC leaders will talk about, anyway.

"But we've been able to solve a couple of localized problems we'd never been able to before," one leader says. "What we primarily have seen is a change in attitude."

"In some areas, we have accomplished more than we can ever tell anyone. There has been a realization of our problems by people who, two years ago, almost didn't know we existed."

Many within NOJC, with the notable exception of Union jobbers (story, p. 3), believe the majors have kept their noses clean during the last two months.

Wholesale gasoline prices have not spurted ahead sharply at holiday times, as they did last year. Refinery output has been cranking up rapidly to meet summer demand.

And no fuel oil dealers have been canceled yet in the wake of distillate decontrol, although the major could have canceled whomever they pleased.

Eighteen big oil companies apparently have told FEA in writing they intend to offer three-year contracts to regular customers after controls end, plus one-year contracts to FEA-assigned customers. FEA won't release

the letters to NOJC but its officials have referred to them repeatedly in testimony.

The main thing jobbers want is long-term contracts. If the majors offered them, it would be an empty charade for NOJC to continue to take a nonposition on divestiture.

The divestiture resolution likely to go to the floor at NOJC's board meeting in Asheville, N.C., this week emerged Thursday from the North Central region's meeting in Chicago. It calls for the "full resources" of NOJC to fight the Senate divestiture bill.

Does it matter if NOJC opposes divestiture? Probably not in Congress—but it would smooth relations with suppliers, and hush dissent within NOJC.

Divestiture already looks like a dead duck in Congress this year. It's too late for NOJC to have much added impact.

Besides, NOJC has been on the fence so long it may have used up what clout it had.

But NOJC will find it hard to oppose divestiture at this week's Asheville meeting. Refiners have pressured branded jobbers to swing NOJC against divestiture, saying a "nonposition" is tantamount to supporting breakup.

Many jobbers don't need refiner pressure to oppose divestiture. Vertical integration, to them, is sacred as mom's apple pie.

An anti-divestiture stance has already been taken by 22 NOJC affiliates, despite the national's lack of position.

NOJC risks tearing itself apart if it holds off again on opposing divestiture, several well-placed insiders say.

One insider thinks the move would be an empty gesture now. It might alienate Senate liberals who've befriended jobbers on other issues.

Currying favor with the Ford White House is pointless if Carter wins the election, he adds.

An official position on divestiture would strengthen NOJC's influence in the final shaping of the bill in Congress, an insider argues.

PRICE CHANGE SCOREBOARD

	Gasoline	Distillate	Date
Ashland	-----	-1.3 ¹	7/6
Exxon	-----	+1	7/7
Getty	-----	+0.35 ²	7/7
Murphy	-----	+0.5	7/7
Union	-----	+1	7/7

¹ Northwest refining area.

² No. 2 diesel fuel only.

SETBACK FOR RACK PRICING

Major sections of the House's dealer day in court bill (HR 13000) are to be redrafted in sessions of the Energy and Power subcommittee in early August. Focus of most of the reworking will be on controversial Title II. Subcommittee staffers toyed with the idea of legislating rack pricing through Title II. That idea has been abandoned. Instead, staffers are leaning to a modified version of their original Title II that would impose a moratorium on refiner direct operations while the Federal Trade Commission is directed to investigate government mandated rack pricing.

SEVEN AGAINST DIVESTITURE

The evils of divestiture as seen by major oil companies were outlined in a dissenting report signed by seven of the 15 members of the Senate Judiciary Committee. Dismantling the oil industry would endanger national security, cause unemployment and strengthen the oil cartel, they warned. Divestiture would lead to higher energy costs, reduced production and "create greater dependence on insecure supplies of foreign oil,"

they said. The anti-divestiture group—Roman Hruska, R-Neb.; Hiram Fong, R-Haw.; Strom Thurmond, R-S.C.; William Scott, R-Va.; James Eastland, D-Miss.; John McClellan, D-Ark.; and Quentin Burdick, D-N.D. Divestiture should come to a Senate vote before Labor Day. It's given less than a 50-50 chance of passage. A House vote on divestiture isn't expected this year.

TOO MUCH PRODUCT

The following refiners told FEA they have excess product and are now free to do as they like with it. If you're looking for product, one of them may be the one to seek out. Expired surplus for the week ending July 9, 1976:

Gasoline: Agway Petroleum; Hunt Oil.
Underlifted motor gasoline: MacMillan Ring Free; Sun Oil of Pa.; Time Oil Co.; Agway Petroleum; Gulf Oil; Amoco.
Jet fuel: U.S. Oil & Refining Co.

DELAY OF NEEDED BLACK LUNG LEGISLATION

Mr. BAYH. Mr. President, the Black Lung Benefits Reform Act of 1976 has been pending in the Senate Labor Subcommittee for almost 3 months now. I understand that the chairman of the subcommittee, Mr. WILLIAMS, and my distinguished colleague and sponsor of that needed legislation, Mr. RANDOLPH, have attempted several times to mark up this bill. In every instance they have been frustrated.

I am particularly concerned, Mr. President, that the inability to mark up this legislation not only deprives miners of the needed benefits they deserve, but it represents a basic frustration of our political process. Under our process, legislative proposals referred to committee are allowed a full and fair hearing. If the committee or subcommittee does not feel the legislation is worthy, each member has the right to vote against that legislation or to amend it. Preventing this system from working through dilatory tactics is a denial of our basic political process.

I am also distressed over the lack of subcommittee action because I feel this legislation brings our coal miners much needed reform. The major thrust of this legislation is to reform entitlements for our miners and their dependents. Under the bill, if a miner was employed for 25 years or more in one or more underground or above ground coal mines, he would be presumptively entitled to benefits. Moreover, if a miner worked only part of a year, that year would be counted to determine his total for entitlement benefits as well.

However, if the location of a miner's employees has recently been changed to a mine area having a lower concentration of dust particles, or if the work were less rigorous, or if the work were changed so as to result in substantially less pay, these factors might preclude entitlement to benefits for that time period.

S. 3183 also mandates an extensive effort on the part of the Secretary of Labor to determine, in cooperation with operators and with the Secretary of Health, Education, and Welfare, and with the Secretary of the Interior, the

names and addresses of their widows, children, parents, brothers, and sisters. The Secretary would inform these individuals of the possibility of their eligibility for benefits, and offer them individualized assistance in preparing their claims where it is appropriate that a claim be filed. These people would have 6 months after initial notification to file for benefits, in a similar fashion to claims filed before June 30, 1973.

Finally, a trust fund would be established in the Treasury known as the Black Lung Disability Insurance Fund. Coal mine operators would pay premiums into the fund to insure payment of benefits. The rate would be reviewed each year to insure that all benefits would be paid.

All in all, I believe this legislation was long in coming and should be enacted as expeditiously as possible. We owe these benefits to the men who gave so much, and at such a great personal sacrifice. More importantly, we owe it to our political process to give this legislation a fair hearing. I look forward to seeing the Senate Subcommittee on Labor move on this needed legislation within the very near future.

GEN. MATTHEW RIDGWAY

Mr. THURMOND. Mr. President, time has passed quickly since one of the giants of our times, Gen. Matthew Ridgway, retired from active service. Recently, I read an article which gave an account of how soldiers and former soldiers of the 82d Airborne Division welcomed their former commander to the annual convention of this great division in Cincinnati.

This article brings to mind some of the historic deeds of this patriot and soldier. General Ridgway was the senior tactical commander of our parachute and glider troops in Europe during World War II. It was he who proved the airborne concept of warfare on the battlefield for the U.S. Army. Always a leader, he parachuted into combat with his troops. Perhaps the most difficult assignment he faced occurred during the Korean war. As the newly appointed commander, it was he who snatched the 8th Army from the brink of defeat to drive the Chinese and North Korean armies from South Korea. Later, when General Ridgway became Chief of Staff of the Army, he was known and highly respected for his knowledge of his profession, love of his country, independence, and straightforwardness.

Integrity and leadership have marked this man throughout his life. Truly, he is one of the great soldiers of our time. I join the veterans of the 82d Airborne Division in saluting Gen. Matthew Bunker Ridgway.

I ask unanimous consent that the article in the Columbia Record, August 16, 1976, "General Matthew Ridgway—Old Soldier Finds Reunion Uplifting," be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD as follows:

[From the Columbia (S.C.) Record, Aug. 16, 1976]

**GEN. MATTHEW RIDGWAY—OLD SOLDIER
FINDS REUNION UPLIFTING**

CINCINNATI.—The 81-year-old soldier tried to slip quietly into the banquet hall from the side, unannounced.

But his "old troopers" had been watching for him, and when they first noticed the entrance from the wings, he quickly stood at attention and began applauding.

Immediately, 1,000 banquet guests were on their feet, cheering the old commander—Gen. Matthew Ridgway. The applause became thunderous.

"It's always an emotional and uplifting experience to come back for a gathering like this one," Ridgway said last week, gazing upon members of the Army's 82nd Airborne Division Association assembled for their 30th annual reunion.

"I don't know of any other organization with a higher degree of patriotism than the old 82nd," he added. "I commanded a lot of units, but there's none I hold closer than this one."

Ridgway, who looks more 51 than 81, commanded the 82nd paratroopers from 1942 through 1944 and dropped from the skies with leading elements over Normandy on D-Day, June 6, 1944.

"It was the greatest operation ever undertaken in military history," recalled Ridgway, who later became Army chief of staff before retiring in 1955. "It still seems exciting just to have been a part of it."

Many old-timers who chatted with the four-star general Friday never made rank beyond private.

"Rank didn't seem to make much difference in an airborne unit," Ridgway recalled. "When you jumped out of the plane it didn't matter what you had on your sleeve."

Ridgway watched his old troops present a sombre and somewhat eerie ceremony.

As a drum roll sounded, a chaplain read a casualty report for old 82nd division units.

**MAN'S INHUMANITY TO MAN: A
CALL FOR RATIFICATION OF THE
GENOCIDE CONVENTION**

Mr. PROXMIRE. Mr. President, the Genocide Convention has as its stated objective the preservation of man's most fundamental and precious right: the right to life.

History is full of countless instances of the brutal inhumanity of man to his fellow men. Examples in this century are numerous. The mass murder of almost 6 million Jews by the Nazis has been well documented. However, one of the most widely held misconceptions about Hitler's 12-year reign of terror is the belief that the Third Reich's program had as its exclusive victims Jewish people alone. How many of us are aware that during this same dozen years these same executioners murdered some 1 million Christians, most of them Eastern and Central European, as well? All civilized men condemn these acts of barbarism and mourn the victims and their families.

In the perverse Nazi lexicon, these victims were typed as "Christian subhumans." Russians, Poles, Czechs, Hungarians, and Rumanians—7 million of them—whose veins did not flow with "pure Aryan blood" were brutally eliminated.

The Senate and all people must grasp this fundamental fact: Genocide was not

then and is not now an anti-Semitic problem; it is an anti-human cancer.

This horrendous policy is not merely anti-Semitic and anti-Christian: it is both anti-human and anti-American. Senate ratification of the Genocide Convention can serve as a strong proclamation to the world that this country and its citizens abhor the bloody crime of deliberate action to destroy national, racial, religious, or ethnic groups.

We have already wasted too much time and dishonored the memory of almost 13 million innocent human beings. Let the Senate now correct our grievous mistake by ratifying the Genocide Convention.

**SENATOR ROBERT DOLE, VICE-
PRESIDENTIAL CANDIDATE**

Mr. PEARSON. Mr. President, the Republican Presidential campaign gained a great asset last Thursday. Perhaps the most valuable of Kansas' abundant natural resources is an independent, tough-mindedness. Senator ROBERT DOLE is the quintessential embodiment of that singularly Kansan quality. He will bring a new and dynamic leadership to the next Republican administration.

As another great Kansan, Alf Landon, reminded delegates to the 31st Republican Convention: BOB DOLE is not only an individual with governing experience and capability but also a man of substantial campaign ability.

This ability has led the press to describe BOB DOLE as intensely partisan. He is. It is true. He was the National Chairman of his party. He did a good job.

A measure of how well he did that job is reflected in a December 1972 newspaper column. Clark Mollenhoff, in lamenting Bob's unceremonious removal from the party's leadership position, noted that such was the fate of those who "showed an independent spirit," those who "balked at taking instructions" from the palace guard.

BOB DOLE was fired because he is the kind of partisan who counts loyalty to Republican principle above loyalty to a single Republican; because his partisanship led him to resist raids on congressional campaign resources by CREEP; because he would not suffer the party to be a pliant tool of the arrogant usurpers of party authority.

Yes, Mr. President, he is a partisan; a hard-nosed, effective, honest, human, humorous partisan. The kind that has kept this two-party democracy offering our country's voters a choice at the polls for two centuries.

"Partisan" is an accurate but incomplete description of my colleague from Kansas. He is a courageous legislator, who does not shy from the unpopular but necessary vote. He is an imaginative problem-solver who, has designed a mechanism to increase employment without simultaneously increasing inflation. Sensitive to the needs of the Nation's poor, he has fought hard for liberal reform of the food stamp program. His intellectual facility for economics has gained the respect of his colleagues on the Budget and Finance Committees. As

ranking minority member of the Agriculture Committee, he has repeatedly shown his readiness to work with Members from both sides of the aisle.

Mr. President, I did not rise to familiarize those in this body with a colleague they already know and respect. My intention is only to express my pride, a Kansan's pride that will soon be shared by the Nation.

A Kansan's pride in the courage and dedication that brought him through the wounds of war; and in the strength that has been demonstrated again and again in his work at peace.

It is a pride fostered over many years. During his 4 terms in the House of Representatives, I quickly recognized the stamina and vigor with which he represented a district that at one point encompassed 58 sprawling counties. Later, during our friendship in the Senate, I watched him tackle campaign reform and advance consumers' concerns. I have seen his innovative work in revenue sharing legislation and his thoughtful attention to the health needs of rural and inner-city America. BOB DOLE is a hard-working servant of the public.

And now, Mr. President, Senator DOLE is about to perform yet another service to the members of both great parties, indeed for all those who vote in November. He is going to force an uncommon clarity from what has been an uncommonly clouded Democrat campaign. Campaign promises can no longer be sanguinely vague and contradictory. BOB is going to assure that the voting citizenry knows in November what to realistically expect in January. And armed with that knowledge, I am confident that those voters will elect BOB DOLE as their Vice President.

**PARENTAL RIGHTS IN MINORITY
EDUCATION**

Mr. BUCKLEY. Mr. President, even though the Senate, during its consideration of H.R. 10612, the Tax Reform Act, declined to approve a tax deduction for tuition paid by the parents of children in elementary and secondary schools, I am confident that this is an idea whose time has come. Thirty-seven Members of the Senate voted for this measure of fairness toward those taxpayers who bear the costs of educating their own children. On behalf of the thousands of parents and students who have written to me in support of this legislation, I want to thank those of our colleagues who gave it their support.

To those who did not do so, I would like to respectfully point out an important and perhaps eye-opening article, "Patterns of Black Excellence," by Thomas Sowell in the "Public Interest," spring, 1976. A distinguished black educator, Dr. Sowell has presented ample evidence to demonstrate that black students can perform academically on a level with their white peers—as if that obvious fact ever had to be demonstrated to anyone other than the misguided theorists who have, for the last decade,

directed the education policies of the Federal Government.

Parts of Dr. Sowell's article have recently been excerpted in the newsletter of the Catholic League for Religious and Civil Rights. I ask unanimous consent that those excerpts, together with the accompanying editorial commentary from the Newsletter, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

PATTERNS OF BLACK EXCELLENCE
(By Thomas Sowell)

[Editor's Note: The contributions of Catholic schools to the educational success of blacks is a largely untold story. T. George Harris, editor-in-chief of *Psychology Today* wrote in the June, 1976, issue that "one of the hidden facts of ghetto education has been the black success in Catholic schools. About 10 percent of Chicago's ghetto kids now go to Catholic schools. Around the U.S. poor families, not just middle-class types, wait for months to get their children into parochial schools in ever-rising numbers.

"There's a deep irony in the situation at Catholic schools," continues Harris. "Their success rate is very high, and their cost is quite low, a fraction of the cost per pupil in public schools. The big difference comes less from the low pay to nuns, priests, and lay teachers, more from the low overhead in Church schools. They do not have the huge and growing bureaucracies that have become a sour joke in public schools. But just as their service to black people has become most obvious, many Catholic inner-city schools are being shut down for lack of money."

[Harris concludes that "nobody protests or helps. Black militants are suspicious of Catholic white ethnics. Liberals are busy busing. Congress worries over church-state tangles. Public educators are afraid of cost-benefit comparisons. Researchers are splitting hairs over the effect of different educational philosophies. [Thus,] there's nobody to save the parochial schools that are now badly needed to help meet a national need."

[Though Harris does not mention it, the U.S. Supreme Court has become the major obstacle to aiding the poor in Catholic schools. For example, in the recent *Meek* decision, the Court deprived the poorest of poor black children in Catholic schools of educational and welfare benefits "only because," as Chief Justice Burger charged, these children attend Catholic schools.

[It appears that Harris is not the only one who is sensitive to these issues. In the Spring, 1976 issue of *The Public Interest*, Thomas Sowell documented the successes of (among others) three black Catholic schools. The following is an excerpted version of Mr. Sowell's article.]

The history of the advancement of black Americans is almost a laboratory study of human achievement, for it extends back to slavery and was accomplished in the face of the strongest opposition confronting any American racial or ethnic group. Yet this mass advancement is little discussed and seldom researched, except for lionizing some individuals or compiling a record of political milestones.

One small, but important part of the advancement of black Americans has been educational achievement. Here, as in other areas,

the pathology is well known and extensively documented, while the healthy or outstanding functioning is almost totally unknown and unstudied. Yet educational excellence has been achieved by black Americans.

Current speculative discussions of the "prerequisites" for the quality education of black children proceed as if educational excellence were only a remote possibility, to be reached by futuristic experimental methods—indeed, as if black children were a special breed who could be "reached" only on a special wave length. When quality education for black youngsters is seen, instead, as something that has *already* been achieved—that happened decades ago—then an attempt to understand the ingredients of such education can be made on the basis of that experience, rather than as a search for exotic revelations.

ATLANTA: ST. PAUL OF THE CROSS

In many ways, St. Paul of the Cross is a very different school. Its openness was the first of many contrasts [with other schools]. Records just received from a testing service were taken straight from the envelope and spread out on the table for inspection. This confidence was based on years of solid performance.

A sample of I.Q. scores for this Catholic elementary school shows them consistently at or above the national norm of 100—which is to say, significantly above the national average of about 85 for other black children. This school came to our attention as a result of an earlier research project surveying I.Q. scores. The mean I.Q. of the St. Paul student body for the years surveyed (1960-1972) ranged from 99 to 107.

PARENTS' BACKGROUND

St. Paul is located in a middle-class black suburban area of Atlanta, but its students are drawn from various parts of the city. Of all the schools in this study for which we were able to obtain the data, St. Paul has the highest proportion of white-collar and professional occupations among its students' parents. For the period 1960-1972, 40 percent of the parents were either white-collar or professional. But although St. Paul has a substantial proportion of white-collar and professional parents for a black school, it is still not predominantly middle-class, in the usual sense of having children whose parents are doctors, engineers, or professors, or are in similar occupations.

QUIET SCHOOL ATMOSPHERE

Quiet, calm, and orderliness prevail in St. Paul's modern building, even during the changing of class. Yet the students do not seem either repressed or apprehensive. There was talking during the change of classes, but no yelling or fighting. Corporal punishment is one of the disciplinary options, but it is seldom used.

Discipline is usually maintained through individual discussions between the teachers—half nuns and half laity—and the children. For example, a little boy who had spilled his soda in the hall without cleaning it up was told that the cleaning lady works hard to keep the school nice, and it was suggested that he apologize to her for making her job harder—but all this was done very gently without burdening him with guilt.

INDIVIDUALIZED INSTRUCTION

Instruction is highly individualized. Instead of the classic picture of the teacher standing in front of the class lecturing, the

more usual scene in the classroom at St. Paul was a teacher very much engaged with an individual student or small group, while the other members of the class worked intently on their respective assignments.

The child's self-confidence is built up in subtle ways. However, there was no single teaching method or formula imposed from above. The usual bureaucratic paperwork was absent at St. Paul. Records were well kept and complete, but not cluttered with trivia. Administrators had time to circulate through the school and get to know the students, rather than being stuck at their desks behind piles of paper. Morale is high enough to attract lay teachers at lower salaries than they receive elsewhere.

NON-CATHOLIC STUDENTS PREDOMINATE

The children are encouraged to take pride in their black heritage, but the curriculum is heavily oriented toward the basics of education—especially reading. There is also religious instruction, but the student body is about 70 percent *non-Catholic*, though it was initially predominantly Catholic. Black non-Catholic students in Catholic schools are common in cities around the country, as black parents seek the education, the discipline, and the sheer physical safety which the public schools often cannot offer. The tuition is . . . \$450 per year for the non-Catholics and \$360 for Catholics and the school runs a deficit, which is made up from general church funds.

St. Paul has one problem: Some parents think that the school is *too* intellectually challenging for their children. Interestingly, this view is more common among those parents who are public school teachers.

NEW ORLEANS: ST. AUGUSTINE HIGH SCHOOL

St. Augustine High School is a school for boys founded in 1951 by the Josephite Fathers. Its first principal was a young priest, Father Matthew O'Rourke, with neither experience nor training in education.

The school was neither wedded to tradition nor seeking to be in the vanguard of "innovation." It did whatever worked educationally, and abandoned what did not. The wide range of student preparation led to ability-grouping, and to the jettisoning of the traditional English courses for the least prepared students in favor of an emphasis on reading, at virtually any cost. *Time* magazine was found to be an effective vocabulary tool for many students, and hundreds of St. Augustine students subscribed, at the urging of their teachers. A special summer course featured speed reading; with assignments of a novel per week, including reports.

IMPRESSIVE STUDENT ACHIEVEMENT

The teachers' inexperience and lack of familiarity with educational fashions paid off handsomely. The first Southern Negro student to win a National Merit Scholarship came from St. Augustine. So did the first Presidential Scholar of any race from the state of Louisiana in 1964, and 10 years later, St. Augustine had produced 20 percent of all the Presidential Scholars in the history of the state.

In the National Achievement Scholarship program for black students, St. Augustine has produced more finalists and semi-finalists than any other school in the nation. In 1964—before the big college drive to enroll black students—St. Augustine's students won more than \$100,000 in college scholar-

ship money. This is all the more remarkable since the total enrollment is less than 700.

The pattern of I.Q. scores over time at St. Augustine shows a generally upward movement, beginning at a level very similar to the average for black students and reaching a level at or above that for the United States population as a whole. In its early years, St. Augustine had mean I.Q.'s as low as 86; but during the period from 1964 through 1972, I.Q.'s were just over 100 for every year except one.

TEACHING TRADITIONAL

Teaching methods at St. Augustine are traditional, and both its academic and behavioral standards are strict. Students must wear "a dress shirt with a collar," and the shirttail "must be worn inside the trousers at all times." The general atmosphere at St. Augustine is relaxed, but serious. Its halls are quiet and its students are attentive and engrossed in what they are doing, as are the teachers.

Yet it is not a wholly bookish place. Its athletic teams have won many local championships in football, basketball, and baseball. At lunch time, the students were as noisy as any other high school students, and the boys in the lunch room were visibly appreciative of a shapely young woman who was part of our research team. One of the real accomplishments of St. Augustine has been to give education a masculine image so that black youths need not consider intellectual activity as "sissy."

PARENTS NOT MIDDLE-CLASS

The achievements of St. Augustine cannot be explained by the usual phrase of dismissal, "middleclass." Although it is a private school, its modest tuition (\$645 per year) does not require affluence, and about 15 percent of the students pay no tuition at all, while others pay reduced tuition because of their parents' low income. The school runs a chronic deficit, despite the low pay scale for those teachers who are clergy.

Our statistical tabulation of parents' occupations covers only the years from 1951 to 1957, but in each year during that span more than half of the known parental occupations were in the "unskilled and semi-skilled" category, and the parents with professional or white-collar jobs added up to less than one tenth as many.

While the students are seldom from the lowest poverty level, there is only occasionally the son of a doctor. Many come from families where the father is a bricklayer, carpenter, or other artisan, and has only a modest educational background. They are not middle-class in income, career security, culture, or lifestyle.

NEW ORLEANS: XAVIER PREP

Xavier Prep is an all-girl Catholic school run by the Sisters of the Blessed Sacrament. It was founded in 1915, and was coeducational until 1970. It had 18 graduating seniors in 1918, and the enrollment increased to about 500 in 1940. It has about 350 students today, after the male students were phased out in the 1960's.

Even when it was coeducational, it had more female than male students. One of the reasons for the difficulty of maintaining a masculine image for education among black youths is that, throughout the country and down through the years, Negro girls have out-performed Negro boys by a wide margin on grades, tests, and virtually every measure of intellectual ability. Studies of high I.Q. black students have consistently found

the girls outnumbering the boys, by from two-to-one to more than five-to-one.

STUDENTS COLLEGE BOUND

Over 90 percent of the graduates of Xavier Prep go on to college. Until the 1960's, almost all went to Xavier University in New Orleans, run by the same order of nuns. Today about 60 percent of the graduates go to either Xavier University, Loyola, or Tulane—all in New Orleans—even though their academic preparation would make them eligible for many other colleges and universities in other parts of the country.

In the earliest years of Xavier Prep, many of the students were from Creole backgrounds. But today the colors and conditions of the students represent a cross section of black America. Over the years, about 40 to 50 percent of the students have come from low-income families, many entering with serious educational deficiencies, requiring remedial work. More than 60 percent of its students are eligible for the free lunch program. While Xavier is a private school, its tuition is only \$35 a month.

AGAIN, NOT MIDDLE-CLASS

Our statistical tabulation of parental occupation shows that from one half to four fifths of the parents' occupations have been in the "unskilled or semi-skilled" category, in the period from 1949 to 1972 for which we have data. Parents in professional or white-collar occupations put together added up to only seven percent of the total during that same span. The principal, Sister Anne Louise Bechtold, recalls "one dentist" this year and "one lawyer last year" among the parents, but no engineers or college professors, and a small percentage of public school teachers—and otherwise parents of very modest socioeconomic backgrounds, with some of the mothers being domestics or store clerks and the fathers in similar occupations.

Unlike middle-class parents, the parents of Xavier students tend to be very cautious about their input into the school—even when invited and encouraged to participate. They seek discipline and an emphasis on basic education, and seem particularly pleased when their children's teachers are nuns.

REMEDIAL WORK EMPHASIZED

Classes at Xavier Prep in the past tended to be large (35-40 students), but since boys were phased out in the mid-1960's, classes have been reduced to about 25 to 30 students. These students are "tracked" by academic ability. The less prepared students are given intensive and imaginative remedial work.

Nuns and lay teachers are about equally represented on its faculty, and it principal is a nun. It is a quiet, low-key place where the changing of classes produces swarms of black teenagers in the halls but little noise. The classes in session have students and teachers absorbed in mutual endeavor, but with a certain relaxed geniality. Discussions with Xavier teachers indicate that they put much thought and work, on their own time, into the preparation of their classes.

Although subject to the guidance of superiors both inside and outside the school, the teachers seem to have more scope for personal initiative than do public school teachers. Among alumni of the school, their teachers' personal interest in them is a factor often cited as having given them the inspiration and self-confidence that came before the educational achievements themselves.

OBSERVATIONS AND CONCLUSIONS

Contrary to current fashions, it has not been necessary (or usual) to have a special method of teaching to "teach" black children in order to have high-quality education. Teaching methods used in the schools studied here have varied enormously from school to school, and even in particular schools the variation from teacher to teacher has been so great as to defy general characterization.

Everything from religious principles to corporal punishment has been used to maintain order. The buildings have ranged from the most dilapidated wrecks to a sparkling plate-glass palace. The teachers and principals have been black and white, religious and secular, authoritarian and gentle, community leaders and visitors from another social world. Their only common denominators have been dedication to education, commitment to the children, and faith in what it was possible to achieve.

FOUNDATION NEGATIVE

Perhaps the most disturbing aspect of contemporary education is the extent to which the very process of testing ideas and procedures by their actual results has been superseded by a process of testing them by their consonance with existing preconceptions about education and society. Father Grant, even after his remarkable success as principal of St. Augustine, found no receptivity at the Ford Foundation either to his appeals for money for the school or to his ideas about education. He was out of step with the rhetoric of his time and did not use the "innovative" methods that were preconceived to be necessary or beneficial to black students.

Xavier Prep, even after more than half a century of demonstrable results, is still looking for a modest sum of money to improve its library, but libraries are not "exciting" or "imaginative"—as "black English" or "black studies" are.

[Addendum: Some state legislatures have made efforts to give poor black parents a choice of schools, including Catholic schools. New York, for example, passed a law giving poor black, Hispanic and white parents grants to pay tuition in private schools—a kind of GI Bill or voucher plan for poor parents.

[But the Supreme Court ruled in *Nyquist* (1973) that poor parents were not entitled to a choice of schools because the tuition grants New York gave them were an "incentive" to send their children to Catholic schools—like St. Paul, St. Augustine and Xavier—and that giving such an "incentive" violated the Establishment Clause of the First Amendment. In other words, the Court said that poor parents, unlike better-situated parents, have no right to choose an education with values different from those inculcated in the public schools because poor parents "predominantly" choose Catholic schools. That choice, the Court ruled, it would not approve.

[Thus, quality education of most poor black, Hispanic and white children is sacrificed by a Supreme Court that is hostile to poor parents—including Protestants—who (given a state grant) choose to send their children to Catholic schools.

[Clearly, until the Supreme Court stops its campaign to force poor parents to subject their children to the inculcation of the moral, religious, educational and behavioral values espoused by state schools, the vast majority of black, Hispanic and white poor parents will never enjoy the fundamental constitutional right to send their children to schools like St. Paul, St. Augustine and Xavier Prep. They will continue to suffer the denial of this right because, as Chief Justice Burger said in *Meek*, they exercise their religious freedom rights in the choice of Catholic schools.]

1975-76 ENROLLMENT BY ETHNIC GROUPS IN CATHOLIC SCHOOLS SERVING INNER-CITY AREAS OF LARGER METRO DISTRICTS

Metropolitan area	Schools	Students	Minority groups								Total		Non-Catholics	
			Blacks		Spanish-surname		Others							
			Number	Percent	Number	Percent	Number	Percent	Number	Percent				
1. New York City.....	121	57,860	6,365	11.0	16,201	28.0	1,157	2.0	23,723	41.0	2,314	4.0		
2. Brooklyn.....	81	43,000	8,170	19.0	10,320	24.0	430	1.0	18,920	44.0	860	2.0		
3. New Orleans.....	69	32,109	11,238	35.0	963	3.0			12,201	38.0	6,743	21.0		
4. Chicago.....	82	25,942	14,268	55.0	5,967	23.0	1,038	4.0	21,273	82.0	10,117	39.0		
5. Philadelphia.....	53	22,144	9,300	42.0	664	3.0	221	1.0	10,185	46.0	2,214	10.0		
6. Boston.....	46	20,609	1,649	8.0	824	4.0	206	1.0	2,679	13.0	618	3.0		
7. San Francisco.....	50	19,326	1,739	9.0	3,672	19.0	2,899	15.0	8,310	43.0	2,899	15.0		
8. Cleveland.....	56	16,223	2,596	16.0	487	3.0	162	1.0	3,245	20.0	2,109	13.0		
9. Los Angeles.....	75	14,838	1,335	9.0	3,858	26.0	148	1.0	5,341	36.0	297	2.0		
10. Washington, D.C.....	33	10,608	6,895	65.0	530	5.0			7,425	70.0	2,758	26.0		
Total.....	666	248,057	63,555	25.7	43,486	17.5	6,261	2.5	113,302	45.7	30,929	12.5		

Source: Data compiled from diocesan questionnaire by Rev. Msgr. Edward F. Spiers, Catholic University of America, February 1976.

GROWTH IN THE OZARKS

Mr. BUMPERS. Mr. President, in recent years the Ozark region in northwestern Arkansas and southwestern Missouri has been one of the fastest growing rural areas in the United States. The reconciliation of growth policy with the existing folkways of the area was the subject of a conference held by the U.S. Community Services Administration's Office of Human Concern in Eureka Springs, Ark. The conference was organized by Mr. Ed Jeffords, a new resident in the area. Mr. Jeffords' views on development of rural areas were included in a recent article in the National Observer, and I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

GROWING PAINS IN OZARKS—AS FORMER CITY FOLK ARRIVE, RURAL AREAS TAKE STOCK

For more than 100 years this Ozark Mountain village has boasted that it's good for what ails you. In the last century its mineral waters built a reputation for soothing the body's aches and pains, and the village became a well-known health spa. Today its clean air, green lushness, twisting and mountainous streets, Victorian aura, and remoteness from skyscrapers, asphalt, and the suburban squeeze offer spiritual relief.

But, like a quick-acting aspirin, the relief may be only temporary. It was just a year ago that this isolated chunk of northwestern Arkansas and southwestern Missouri was identified as one of the nation's fastest-growing rural areas. In the 12 months, enough problems have surfaced to force the new migrants to begin taking a look at what they've done.

"NOT A FAD"

A few of them did just that at a Conference on Ozark In-Migration here recently. It may be the forerunner of similar conferences in far-off corners of the nation. The view that emerged may be a lesson for the nation's half-dozen or so other rural areas that are finding themselves awash with former city folks—retirees, youthful back-to-the-landers, leisure seekers, and fast-buck operators.

These other areas include: northern Michigan and its Upper Peninsula along with northern Wisconsin and northwestern Minnesota; the southern Appalachian area of southeastern Kentucky and southern West Virginia; the Rocky Mountains from New Mexico to the Montana and Idaho borders with Canada; northern New England; the central hill country of Texas; and the old Gold Rush areas of northern California.

Says Calvin L. Beale, a U.S. Department of

Agriculture demographer who first spotted this back-to-the-country move, "It's difficult for people to accept this as permanent—that it's not some massive fad or aberration." Growth in the boondocks is approaching—and even surpassing—3 per cent a year, he says. This is more than four times the national growth rate. Here in the Ozarks the growth rate is an astonishing 5.5 per cent a year.

People are overwhelming housing, schools, jobs, roads, and the delivery of essential health and welfare services. Says Beale, who favors a slowdown in growth: "They're suffering from too much of a good thing in too short a time. No one really understood what the effects of large numbers of retired people would have on an area such as the Ozarks." Nor, he adds, "could one foresee the youth and environmental revolutions" that have ignited this back-to-the-land movement. Add to this the boom in recreation and leisure homes and you have Ozark hills and hollows chock full of people.

Beale notes that the population in the 21-county area of the Arkansas Ozarks increased 17.8 per cent between 1970 and 1975. The nation's growth during this same period was only about 4 per cent. Beale believes there is no way an area can cope with a 3 per cent annual growth rate without Government assistance and executive planning.

That's one reason the U.S. Community Services Administration's Office of Human Concern brought together here about 150 Federal, state, and local officials, and local residents (old and new) to call attention to what some of them see as crippling growth.

LEARNING TO ADAPT

Ed Jeffords, a 30-year-old dropout from main-stream society who organized this conference, pinpoints the difficulty: "Most people seem to want the economic benefits, services, and conveniences afforded by growth, but they don't want the problems that accompany it."

This is generally true, says Jeffords, of both the native Ozarkers and the recent arrivals. "The difference is that the new migrants, particularly the young, are accustomed to dealing with information and technology," he says. "They are learning to adapt the old ways to the new—they plant by the signs, never whittle toward themselves, never spit toward the wind, and heat their homes with solar panels. They are, for the most part, exponents of alternative energy sources, low-impact technology, intensive organic gardening, self-sufficiency, and environmental protection. They value their personal independence, they pride themselves on their resourcefulness, and in the best conservative tradition, they resist that sort of change that would see the mountains bulldozed into oblivion."

The example they cite is a proposed corridor expressway linking Kansas City and New

Orleans that would slice through a corner of the Ozarks.

For some of the have-nots, the opening up of such a highway would mean economic progress to the area and is a good thing. Kevin Blanton, a school librarian in Bentonville, points out that the Ozarks are still poor and that the people who have fought poverty for two generations deserve the benefits that economic growth would bring.

That is one clash of values. Another is the conservative religious heritage, hardly shared by the youthful free spirits building their homes and teepees in the woods.

INHERENT CONSERVATISM

Thus one of the sharpest divisions is between the natives who finally see a "piece of the pie" coming their way and the new migrants who see growth as bringing all the things for which they fled Chicago, Los Angeles, Seattle, Miami, New York, and New Orleans.

Still, there are signs the two cultures may be able to work out their differences. Says Jeffords: "Traditionally independent, conservative, the region attracts like-minded migrants. While values and definitions are in a state of flux throughout the nation, many retirees and others come here specifically because of the region's inherent conservatism."

Adds Jeffords: "And it's not just the Midwestern retirees who profess that conservatism. It is, paradoxically, shared by many of the younger migrants, who, a few years back, would have been labeled radical. In fact, the entire rural migration I view as basically conservative, in that it appears to derive from people's need for stability, security, and simplicity in an increasingly complex and changing world." He calls the young back-to-the-landers the "vanguard of a new ruralism." Another way to look at it is the "urbanization" of America, he says.

Jeffords and his boss, William Brown, deputy director of the Office of Human Concern for a three-county area in the Ozarks, are pioneering co-operative ventures that may be models for rural areas elsewhere. Among them are community canneries, co-operative marketing, a return of the Grange, and a skills inventory that will enable neighbor to use neighbor to get jobs done.

THREE SMALL CANNERIES

Shortly, for example, there will be a small cannery each in Carroll, Benton, and Madison counties that will enable mountaineers to bring in their homegrown produce and can it themselves in half the time it would take at home.

Each unit costing \$7,000 can serve from 50 to 200 families. They are produced by the Ball Corp. of Muncie, Ind., and are sold at discount to non-profit groups such as the Ozark Office of Human Concern.

By harvest season, Brown says, he expects

500 families of widely divergent backgrounds to be involved in the canning and marketing operations: "They'll be working side by side, sharing thoughts and values, and saving money by doing it yourself."

"We are establishing a sense of community here," says Brown. "We are learning co-operation. This is one of the things we have missed in our Twentieth Century life. It may be irony that we are discovering it here in the Ozarks."

CONFERENCE REPORT ON H.R. 14232 LABOR-HEW APPROPRIATION BILL

Mr. BAYH. Mr. President, in a few days the Senate will decide whether or not to accept the conference report on H.R. 14232, the Labor-HEW appropriations bill for fiscal 1977.

The House agreed to the conference report on August 10, and also agreed to insist upon disagreement on amendment No. 68. This amendment, included in the House bill, provides that no funds shall be used "to pay for abortions or to promote or encourage abortions." The Senate bill entirely deletes this language. I strongly and vigorously support the Senate position on this issue.

Mr. President, although I disagree with the House on the important matter of amendment No. 68, I wish to compliment both the House and Senate Appropriations Committees on their actions on this bill—and particularly Representative Flood and Senator Magnuson, chairmen of the Labor-HEW Appropriations Subcommittees.

This is a huge and complex bill. It appropriates more than \$56 billion for the fiscal year which begins on October 1. As my colleagues are well aware, the appropriations contained in this bill are for health research and health delivery; for immunization, rat control, and lead-based paint programs; for elementary and secondary education assistance, including specialized programs such as environmental, drug abuse and bilingual education; for handicapped, occupational, and adult education; for library assistance; for public assistance, child welfare, and rehabilitation services and facilities; for the Department of Labor and the Community Services Administration; for related agencies such as ACTION, the Corporation for Public Broadcasting, the National Labor Relations Board; for special institutions such as Gallaudet College and the American Printing House for the Blind.

It is very much to the credit of the leadership of both Houses, and to the chairman of the Appropriations Committees and subcommittees, that this bill is before us at such an early stage. Its speedy enactment will allow agency and department heads, and project administrators at the Federal, State, and local level to plan efficiently for the coming year.

Yet, Mr. President, the threat of a veto looms over this bill. Criticism has already been heard because the conference figure is \$4 billion over the administration budget request. But I must repeat a comment I have made before—the budget request is not a magic figure.

Each and every appropriation which this Congress makes should be analyzed,

first, in terms of its merits, and second, in terms of overall spending policy. In this context, it should hardly be necessary for me to note that each Labor-HEW Subcommittee conducted many days of hearings. In the Senate, for example, the hearing record of the Labor-HEW Subcommittee fills eight thick volumes. Markup at the subcommittee and full committee stage consumed several days. The Senate subcommittee considered more than 200 amendments. Additional amendments were debated in the full committee and on the floor. The House-Senate conference lasted a full week; there were 76 amendments in disagreement.

With respect to overall budgetary constraints, it is important to note that this bill is well within the targets of the first budget resolution passed by this Congress in May. I repeat, then, that the budget request is not a magic figure. It does not remove from the Congress either the right or the obligation to scrutinize the adequacy of recommended appropriations.

The President's budget request for Labor-HEW totaled about \$52.618 billion for fiscal 1977—less than \$1 billion more than the comparable appropriation for fiscal 1976. Now I do not believe that "more is always better." But I do believe that when inflation is running at a rate of 6 percent for the past year, I want to be presented with solid justifications for accepting a budget request that amounts, in terms of real spending power, to a cutback compared to the previous year. The administration has failed to convince me—and the majority of my colleagues in both Houses—that good reason exists for such a cutback.

Mr. President, the Labor-HEW appropriations bill has often been referred to as a "peoples bill" because it provides funds for so many humanitarian purposes. While it is true that this appropriations bill supports many programs representative of the compassionate instincts of our country for the disadvantaged, the sick, the undereducated, the handicapped—it is equally true that most of these programs are extremely cost effective. To put it bluntly: a dollar which is spent today teaching children to read, or preventing illness or disability, or training people for jobs, means the saving of many more taxpayers' dollars tomorrow in the payment of welfare costs or unemployment benefits.

One example of this cost effectiveness is research carried on at the National Eye Institute. Ninety-four million Americans are afflicted by eye disease in varying degrees; 10 million Americans—or 1 out of 20—suffer from uncorrectable visual impairment. One-half million of these are functionally blind; and one-half million are so severely impaired that they cannot read a newspaper even with glasses.

Blindness costs Americans billions of dollars each year. One billion dollars of income is lost annually due to blindness; another \$500 million is spent by public welfare agencies for services to the blind. It has been estimated that visual problems cost this country a total of \$5.2 billion annually.

The fiscal 1976 appropriation for the Eye Institute was \$50 million. For fiscal 1977, the President requested a cutback to \$46.9 million. Fortunately, both Houses of Congress rejected that request, and the conference report recommends a funding level of \$64 million. This appropriation—and the benefits which flow from it in the prevention and treatment of vision defects—is a mere drop in the bucket compared to the lost income and public costs incurred by vision impairment.

I want to take note of several other items in this bill of particular interest to me. One of these is the appropriation for family planning. From fiscal 1973 through 1976, the funding level for family planning project grants remained at \$94.5 million. This year, I recommended full funding of \$122.6 million for the program, and this level was included in the Senate bill. Unfortunately, the conference produced a compromise figure of \$113.6 million.

The importance of this item is underscored by the controversy surrounding amendment No. 68, and by the veto threat. Regardless of one's stand on the abortion issue, I think we can all agree that family planning is preferable to abortion for preventing the birth of unwanted children—and statistics indicate that 20 to 25 percent of all births are unplanned or unwanted at the time of conception.

With respect to the budgetary impact, it is important to point out that every dollar invested in family planning services in 1 year results in a \$2 saving during the next year in maternal costs, infant care, and public assistance. Considering the fact that, out of approximately 10 million women in need of subsidized family planning service, nearly 3½ million women of low and marginal income remain unserved, I can think of few more cost-effective expenditures of Federal funds.

This bill contains some \$51 million for the newly authorized National Health Promotion and Disease Prevention Act of 1976. This important piece of legislation provides for the immunization of children against diseases such as measles, rubella, mumps, diphtheria, and whooping cough, and for control of venereal disease, rat-borne diseases and lead-based paint poisoning. What could be more cost effective, and more humane, than administering shots to children—shots which range in cost from \$0.065 for diphtheria—tetanus—pertussis, \$0.71 for measles, \$0.60 for rubella, \$2.02 for mumps—to prevent a recurrence of epidemics which cripple and even kill. And we are not talking about simple childhood diseases which only cause discomfort. For example, rubella—or german measles—if passed from a child to a pregnant woman can cause terrible deformities in the unborn child.

There is a relatively small item in this bill which deserves mention: \$9 million for hypertension formula grants. Together with other members of the Labor-HEW Appropriations Subcommittee, I pressed for a full appropriation of \$15 million for this item in the Senate bill—which finally provided \$10 million.

Hypertension strikes 23 million Amer-

icans—14 percent of the population. Some 29 percent of Americans who have high blood pressure don't know it. Undetected and untreated, hypertension is responsible for at least 200,000 deaths each year; it frequently leads to stroke, heart attack, heart failure and kidney failure.

In the past few years, clinical and educative programs of the National Heart, Lung and Blood Institute have made great progress in the field of hypertension control. For example, the proportion of Americans who have hypertension, but are unaware of it, has declined from 50 to 29 percent since 1971. Even more impressive is the fact that, between 1973 and 1975, the death rate from hypertension alone declined by 21 percent.

The appropriation provided in this bill for hypertension formula grant moneys will enable the States to bring treatment services to millions of people who cannot now afford them. The result will be the saving of many lives, of much suffering, and a tremendous addition to our human—and consequently, economic resources.

Mr. President, there are many excellent items in this bill in addition to those I have mentioned. Many difficult decisions were made by members of the Appropriations Committee and the Conference. I want to complement the Committee staff for their most able assistance at every stage.

I shall vote to accept the conference report on H.R. 14232, and shall vote to insist on the Senate position on amendment No. 68.

ON THE EIGHTH ANNIVERSARY OF THE SOVIET INVASION OF CZECHOSLOVAKIA

Mr. BUCKLEY. Mr. President, 8 years ago, on August 21, 1968, the Soviet Union committed an atrocity against freedom. Its troops stormed into the Republic of Czechoslovakia, ending that country's brief reassertion of its independence. While the world watched in horror, Leonid Brezhnev's armored legions desecrated the streets of Prague with their presence. It was a ruthless performance worthy of Joseph Stalin himself.

There was a time when American officials could offer to the Czechoslovak people strong words of sympathy and support in their silent determination to regain their national independence. But this year, those words do not come easily. Not after Vietnam, after Cambodia, after Laos. Not after the conquest of Angola by Marxists and the transformation of Mozambique into a totalitarian state.

And yet, this is not the time to be discouraged; for, as the Czechoslovak people know, history has a momentum of its own. The millions of persons in Eastern Europe and in this country who hope for a new dawn of freedom in Czechoslovakia should remember the example of Thomas Masaryk, father of the Czechoslovak Republic. Against overwhelming odds, his courage and determination persisted. Against the certainty of failure, his faith in the future prevailed. In the few glorious months before Soviet forces occupied

his country 8 years ago, Masaryk's grave became a place of national pilgrimage, ringed with flowers and candles. Two generations after his death, he had not been forgotten by his people. He has not been forgotten now. The Soviet occupiers may keep pilgrims from his grave, but they cannot still the voice that comes from within it. It echoes through the halls of the Kremlin. It rings through the rooms of Hradcany Palace to disturb the slumber of Gustav Husak. It still speaks to the Czechoslovak nation.

That is why the eighth anniversary of the Soviet invasion is observed as the "Soviet Day of Shame" by the people of Czechoslovakia and by their friends in the United States. Like Masaryk, we know that tyranny does not endure forever. And so, in his memory, let us join his countrymen again this year in reaffirming the inevitability of Czechoslovak independence.

The national anthem of the Czechoslovak Republic asks, "Kde domoj můj?"—"Where is my home?" As if in answer to that question, Tom Paine once wrote, "Where liberty dwells, there is my country." From our American haven of liberty, which has been a refuge to thousands of Czechoslovaks fleeing from Hapsburg repression, Nazi terror, and Communist slavery, we look across the ocean and across the years to the day when liberty will again dwell in their land. For that day will begin a new "Prague springtime" of liberation which will warm all of Eastern Europe.

ROCKWELL'S MASSIVE LOBBYING CAMPAIGN FOR THE B-1 BOMBER

Mr. PROXMIER. Mr. President, on August 18 I wrote a letter to Secretary of Defense Donald Rumsfeld asking that an investigation be made to determine if tax funds are being used by Rockwell International in support of their massive nationwide campaign for the B-1 bomber.

Within recent weeks Rockwell International has accelerated an already massive public relations campaign in support of the \$22 billion B-1 program. Advertisements have been placed in major newspapers throughout the country including the Wall Street Journal, four times, the New York Post, Seattle Post Intelligencer, six times, and Seattle Times, six times, Providence Evening Bulletin and Providence Journal, Wilmington Morning News and Wilmington Evening Journal, three times, the Atlanta Constitution and Atlanta Journal, six times, St. Louis Post-Dispatch and St. Louis Globe Democrat, six times, Springfield Illinois Journal Register, Chicago Daily News, 13 times, the Chicago Sun Times, Chicago Tribune, and many others.

In addition, there are a number of other Rockwell practices which may have been written off for tax purposes as business expenses and thus borne by the American taxpayers. For example:

Rockwell employees touring the country to speak with newspaper editors encouraging support for the B-1.

Major advertising in aerospace publi-

cations such as Aviation Week and Space Technology and the Air Force magazine.

The payment of dues or membership fees to organizations which actively encourage support for the B-1 and/or lobby for the B-1, such as the Air Force Association, and the American Security Council.

The production and distribution of slide shows and films extolling the B-1. For example, the production of a film on the Rockwell Chief Test Pilot and his first flight in the B-1, as distributed by Paramount Pictures Co.

The costs of Rockwell's Washington office, including overhead personnel, travel, publicity, and consultants if any part of such funds were used for lobbying activities or in support of pro-B-1 forces during periods of legislation dealing with the B-1.

The sponsorship or financial support of research organizations or public relations firms which then either publicize the merits of the B-1 and/or encourage lobbying in behalf of the B-1 program.

The establishment and funding of Operation Common Sense by Rockwell International in 1974 as an internal lobbying organization designed to influence veterans organizations, provide pro-B-1 speakers to citizens groups, counter anti-B-1 activities and conduct public relations in support of the B-1.

Letters to all Rockwell stockholders and employees recommending that they write to Congress in support of the B-1.

Public relations and lobbying activities by themselves are a normal part of private enterprise and contribute to a healthy debate on national issues. Furthermore, it is not known if Rockwell has used tax funds in these cases.

Under no circumstances, however, should such activities be supported by tax funds or claimed under Government contracts. That results in the taxpayer financing a lobbying campaign against himself.

To be sure that this media blitz by Rockwell is not using tax funds, I have asked the Secretary of Defense to conduct a thorough inquiry into the facts.

Mr. President, I ask unanimous consent that a copy of a Rockwell letter to shareowners be printed in the Record.

There being no objection, the letter was ordered to be printed in the Record, as follows:

ROCKWELL INTERNATIONAL,
Pittsburgh, Pa., August 13, 1976.

DEAR SHAREOWNER: Because I believe the B-1 bomber, which is being developed by your Company for the Air Force, is of great importance to the future security of our country, I am taking this opportunity to bring to your attention some factual information about the program.

I believe you, as a Rockwell International shareowner, will be interested in reading Air Force Secretary Thomas Reed's enclosed comments made in response to an inaccurate and distorted article which appeared in a recent issue of Barron's, the financial publication. There is no question that Secretary Reed and other civilian and military leaders believe the B-1 program is essential.

It is most unfortunate, as Secretary Reed points out, that much of the information used about the B-1 "is outdated or badly misinterpreted. This leads to inaccurate conclusions and unwarranted allegations about the way the B-1 program is proceeding."

Whether the B-1 goes into production may well depend upon those who believe the program is necessary for the defense of this country and the maintenance of peace, but who have not been heard from by members of Congress.

There is an extremely vocal and well-organized group of individuals and organizations who are using every means possible to influence Congress to vote against the program. They are literally bombarding the congressional offices in Washington with mail urging that the B-1 be killed. You may recall that some of these same individuals attempted to disrupt our last shareowners meeting in Los Angeles.

Their immediate target is a Joint House-Senate Conference committee which will be meeting soon to resolve differences in the Military Appropriations Bill. The House of Representatives has authorized and appropriated funding for initial production go-ahead as requested by the DOD. The Senate also has authorized production but an amendment to the Senate version of the Appropriations Bill calls for the production decision to be delayed until February of next year.

Make no mistake. The opponents of the B-1 believe that if they can delay the start of production, they will be able to kill the program entirely. The Air Force has warned that such a delay will cost approximately \$490 million.

If you believe, as I do, that production of the B-1 is critical to the defense of this nation and the Free World, I urge you to make your views known immediately to the U.S. representatives and senators of your state.

For your letter or wire to be effective, it should be written as soon as possible. I hope you will agree that this matter is of extreme importance to you as an individual and to the nation.

Sincerely,

W. F. ROCKWELL, JR.

Enclosure.

HOW TO CONTACT YOUR CONGRESSMAN

Telephone his office in your state or place a call to (202) 224-3121. That's the Capitol operator who can connect you with your senator or representative. To telegraph via Western Union, send the message to the Honorable ———. For senators, the address is: U.S. Senate, Washington, D.C. 20510. For representatives, the address is: House of Representatives, Washington, D.C. 20515. A Public Opinion Message of 15 words costs \$2 and can be delivered within hours. A 100-word "Mailgram" costs \$2.55 and will be delivered the following day. The charges can be billed to your home phone. Contact your local Western Union office.

EMERGENCY JOBS PROGRAM

Mr. BAYH. Mr. President, I support H.R. 12987, the Emergency Jobs Program Extension Act of 1976, which was passed by the Senate on August 10. The Federal Government's central role in moving this Nation toward economic recovery is no longer questioned by a majority of Americans. This bill goes a long way toward achieving that economic recovery.

Unemployment figures released August 6 by the Bureau of Labor Statistics show the nationwide unemployment rate climbing for the second month in a row. The 7.8-percent unemployment figure for July should be a cautionary sign for those who assume that we can turn our backs on efforts to stimulate further economic recovery.

A close examination of unemployment rates among various subsections of our

workforce does not paint such a reassuring picture either. Unemployment rates for teenagers—16 to 19 years—was 18.1 percent, among construction workers, 17.7 percent, and 7.8 percent among manufacturing workers. For black teenagers the percent was still a staggering 34.1 percent.

These figures demonstrate the clear and compelling need to quickly approve the Emergency Jobs Program Extension Act of 1976. This legislation has four basic purposes: First, to extend the authorization for title VI of the Comprehensive Employment and Training Act—CETA—through fiscal 1977; second, to provide employment projects for the long-term unemployed; third, to provide unemployment compensation benefits to public service employees under CETA; and fourth, to establish a National Commission on Employment and Unemployment Statistics.

Mr. President, under CETA, approximately 320,000 previously unemployed persons have been hired to meet locally determined public service needs throughout the Nation. The program has been administered by some 430 State and local government prime sponsors. With this Nation still facing chronic unemployment, few question the need of continuing this vital program.

The legislation is more than a simple extension of title IV CETA programs however. It makes a number of changes in the administration of CETA programs which are designed to benefit both State and local sponsors as well as the jobless. For example, the bill provides that State and political subdivisions shall be reimbursed for the costs of providing unemployment benefits to workers directly from the special unemployment assistance program rather than through money provided under CETA for the creation of public service jobs.

The process of putting people back to work is a slow and frustrating one, but it is the most important economic task facing us today. The National Commission for Manpower Policy concluded its interim report to the Congress by commenting that the American people would no longer tolerate a government that would do nothing to stem the ravage that unemployment brings in its wake. CETA programs have been a vital step in stemming these ravages. I urge the Congress to move quickly in approving this legislation.

THE TURNING OF THE PRESS, OLYMPICS, AND OTHER INTERNATIONAL INSTITUTIONS INTO POLITICAL INSTRUMENTS

Mr. CASE. Mr. President, the 1976 Olympics have given us a further reason to examine the trend toward converting international events and institutions into political tools.

From the playing fields of Montreal to the meeting rooms of San Jose, Costa Rica—site of a recent UNESCO conference on the press—there have been renewed efforts by some governments to corrode channels of international exchange which should not be clogged by

politics. The governments responsible for turning athletic games into political games and news coverage into political coverups should take a hard look at where they are heading.

The same mentality which has been seeking to misuse the educational and cultural efforts of UNESCO for political purposes would similarly pervert the Olympic games and—far more serious—the institution of a free press.

The resolutions adopted by the recent UNESCO conference on the press in San Jose and the attitudes expressed in some of the discussions point to a growing attempt to censor the flow of news and information. Under the guise of fighting "cultural imperialism," some of the developing countries reflect not just a misunderstanding of how news organizations operate, but a basic rejection of the value of the truth in ultimately helping their causes and the cause of justice and peace throughout the world.

We all want to help the developing nations reach their potential. But development cannot justify destruction of the institution of free speech which has been forged at such great cost.

Yet the UNESCO conference heard such statements as that of the agency's Director General, Amadou Mahtar M'Bow who said:

When mass communications media instill standards of value alien to any given region they threaten to eradicate or nullify that region's own values.

With Mr. M'Bow's speech setting the tone, the UNESCO conference passed a resolution calling for government control over the kinds of information distributed in the Latin American and Caribbean region via communications satellites. Another resolution called for the creation of a news agency for the region. Earlier, there had been discussions of proposals to make third world nations responsible for control of news dispatches from their area.

These ideas call for a curb on the flow of information to suit the convenience and political comfort of incumbent governments. Already, in some nations, all incoming news agency reports have to go through a government-controlled news agency before being distributed to newspapers and broadcasters.

These systems, combined with tightening controls on reports from such countries as India which until recently had been considered a leading democracy in the developing world, reflect a disturbing trend toward censorship. Contrary to Mr. M'Bow's impression, the mass communications media do not attempt to instill values—they try to report what is happening. They only treat is the impact of the truth upon a dictatorship which does not want its people or the outside world to know what is going on.

Not only is this evil in itself, it works to the disadvantage of the developing countries in the long run. Unless correspondents are able to compile their dispatches from more than just a government's self-interested version, there can be no confidence that the government is telling the truth. Who believes Uganda

radio for example? In losing their credibility, the censoring governments also can hurt their financial and political support from other countries. Thus it can be to the long-term disadvantage of the governments of developing nations to use the press for their political purposes.

The world already has enough political forums. The disrespect into which the United Nations has fallen, and the cheapening of the value of its resolutions, should be a warning sign that efforts to turn nearly every international activity into a political assertion only undermines more serious efforts to advance worthwhile causes.

I ask unanimous consent that several articles on the issue be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the New York Times, July 22, 1976]

LATIN NEWS PANEL BACKS SATELLITE-RELAY CONTROLS

SAN JOSE, COSTA RICA, July 21.—A proposal that Latin American and Caribbean governments determine what information should be distributed by satellite in their regions was approved here today at a United Nations-sponsored conference.

The resolution, offered by Bolivia, Brazil, Honduras and Venezuela, was adopted at the final session of a communications conference organized by the United Nations Educational, Scientific and Cultural Organization.

It said the governments of Latin America and the Caribbean should meet "to define a concerted policy with respect to the information content that should circulate via satellite between Latin American countries, and between our region and other parts of the world."

The resolution was the most specific one approved here suggesting government control of the flow of information in the area.

Several Latin American countries have their own satellite systems. Others receive news by satellite from agencies in other countries.

Among other resolutions at the conference was one recommending the creation of a Latin American news agency or pool. The proposal asserted that most of the news circulated in the region was distributed by foreign agencies "not greatly concerned or interested in reflecting the real motivations, whole truth or background of regional events."

It added:

"It is the duty of the countries of the region to equip themselves with systems of their own, capable of counter-balancing the serious imbalances existing in communication and giving the world a true, objective and complete image of their own realities."

Another resolution called for the creation of national communications policies.

It said "social responsibilities" of the public and private mass communication sectors should be clearly defined. Governments were urged to guarantee "access to and joint participation" in mass communications and "full exercise of the freedom of expression and information" in accordance with national laws.

Emphasis was placed on the establishment of regional centers to upgrade the training of what was called "communicators" and radio and television journalists.

Other recommendations encouraged informative radio, television and movie programs, low-cost radio and television receivers and a Latin American common market for books.

[From the Bergen County, N.J. Record, Aug. 12, 1976]

THE THIRD WORLD OPTS FOR "DEVELOPMENTAL JOURNALISM"

(By Dial Torgerson)

"Why do our people persist in listening to the BBC?" asked an information department staffer in one of the developing countries of Africa. "Why don't they listen to our government radio?"

"I'll bet you," said an American journalist, "that the first item on your next news broadcast will be about some government official dedicating a cattle dip."

Although the next newscast did not lead off with a cattle dip, the journalist's point was made: The first item was about the opening of a new school for the handicapped. The BBC meanwhile, was telling about whether or not the Olympic Games would be held.

Anyone who could get the BBC in Africa would, of course, listen to it—to the distraction of local government officials who have a different idea of what is news. To them, news is the stuff of which young nations are made. People should be told what the government considers to be good for them and not simply exposed to the facts about what actually is going on in the world.

Philosophers of such Third World journalism call it "developmental journalism." They insist that their countries need a different framework of journalism from the free-press nations. In country after country and at international meetings in different parts of the world, it is becoming apparent that information ministries of the developing world would like to handle news along these lines:

The government must control the flow of news within its own country. A government news agency will release approved information, and it will be broadcast by government radio and TV stations and published in newspapers which are increasingly more government-controlled. Nationalization of independent newspapers is recommended.

There must be a curb on the free flow of news reports from agencies not under control of the government. "Foreign news agencies" like the Associated Press, United Press International, Reuters, and Agence France Press must not be allowed to compete with the government-run wire services. To bring news in from outside there should be a government news organization which will provide only approved news.

This government news agency, it was suggested at the Nonaligned Conference on News Agencies in New Delhi last month, could be organized by a consortium of Third World governments. Each country would submit its version of domestic news, and, through the agency, the member nations would share their versions of news with one another.

The news report would then be government propaganda, Western journalists have pointed out. It would have limited value as news. Its credibility would be meager.

Better this, say the proponents of "developmental journalism," than the "sensationalism" of the international news agencies which wish to tell only bad news about the Third World—natural disasters, stories suggesting the disasters were exacerbated by crooked or ineffective local relief officials, reports of coup attempts, tribal battles, and crime waves.

The international news agencies, in the view of Third World spokesmen, are a relic of colonialism: The former colonial masters run them (the British run Reuters; the French, the AFP), and the staffers, they say, are disposed to make the new governments look bad.

For government-run news agencies to succeed, something obviously has to be done about the news reports filed by the major international news agencies. Few will read

reports from a government propaganda machine if those from the fiercely competitive and politically unshackled international agencies are available, any more than people will listen to the local radio station's dull recitation of nation-building news when the BBC is available.

A chilling forecast of how these outside agencies might be handled was among the proposals made to a meeting July 12 to 21 at San Jose, Costa Rica. Sponsored by UNESCO, the conference discussed "mass communications policies" for Latin American nations. It was suggested that laws be passed providing for the arrest of correspondents from international press organizations if their agencies published articles critical of the country where they were based.

Whatever happened to the free press—as called for in the United Nations Charter?

Government officials in the developing countries will tell you that Daniel Patrick Moynihan was wrong when he said that "none of the nations of the Third World is so poor that it can't afford a free press." Developing countries have fragile governments. Watergate-style reporting probably could bring down 100 of the 120 presidents of the developing world—and destroy the existing government structure, as well.

It does no good to argue that many are military dictatorships which deserve to topple: The people in power simply cannot afford to face the threat posed by a free press.

Another factor is the influence of the Russian school of press control on the Third World. The young ministers of the new nations admire it for the tidy sense of discipline it provides. Even those who are anti-Communist can agree that, controlling the press—and those troublesome reporters asking bedeviling questions—is a great way of facilitating the work of a shaky regime. "Beat the Press" is a favorite exercise among dictatorships of both the Left and Right.

But what about UNESCO? Why is the United Nations getting mixed up in matters of mass communications control? UNESCO maintains that it has not wavered in its dedication to "freedom of expression." But like other United Nations agencies, it is sensitive to the desires of the majority, which in the United Nations is the Third World, supported ideologically by the Communist bloc.

If the United Nations majority wants to curb the wire services, it soon will have the secretariat of UNESCO trying hard to find ways that "freedom of expression" can be deemed to be what the majority calls "freedom of expression."

A developmental-journalism theorist will argue that nation-building stories are denied freedom of expression by free-press journalism because the reader's interest is preempted by stories of sex, crime, war, coups, and disaster.

In Addis Ababa, Ethiopia, where the people's revolutionary government is in control, the newspaper is filled with government releases and padded with handouts from Eastern European nations ("Bulgaria's New Five-Year Plan") dull enough to cause brain damage if read beginning to end.

In contrast, a copy of Nairobi's breezy tabloid Daily Nation—which gives world news highlights from news agencies and describes the Kenya capital exactly as it is, beset with crime, bright with cinemas, bubbling with sex, and outrageously capitalistic—is passed from hand to hand until it rots.

If Ethiopia had a Daily Nation, who would read the Ethiopian Herald? Except, perhaps, the Bulgarian ambassador?

Papers like the Daily Nation infuriate the information ministers of countries with-

out Kenya's free press. Our papers, they say, should not describe the way we are, but the way we should be; news is a commodity for nation-building.

And so in these developing countries, people cast aside the government's version of good news and turn on the BBC to see how close to home the latest disaster is striking.

[From the Washington Post, July 24, 1976]
PRESS GROUP HITS THIRD WORLD CONTROLS
(By Joan Krauter)

The Inter-American Press yesterday condemned a UNESCO conference on "communication policies" as an attempt to promote the control and manipulation of all news media in Latin America and the Caribbean.

In the statement released here today, IAPA said the decisions reached at the UNESCO conference confirm its conviction "that the peoples' right to be fully and freely informed is threatened today more than ever before."

The conference the first of its kind—was held July 12-21, in San Jose, Costa Rica, for Latin American nations. Its purpose was to form "mass communications policies."

The result, in the view of its critics, is a new and potentially more frightening kind of "big brotherism" control of the Third World's press freedom.

IAPA, strongly objected to most of the conference's recommendations, from the establishment of national councils that would issue "guidelines" to the press, to a proposal that government agencies be established to screen and over censor the "content of news dispatches" sent into the country from outside via satellite.

IAPA had criticized the conference before it opened, predicting that some of the delegates would seek to legitimize government management of the news.

Supporters of the trend toward exclusively government-controlled media in these countries claim that international news agencies distort what they report concerning the developing countries.

Journalists already have difficulties obtaining entry visas in many Third World Countries as a matter of routine, and often must show a favorable attitude to a nation's policies to be sure of having visa rights. Inside the country, the foreign correspondent often is shut off from sources of information and is not allowed to visit areas where there are sensitive situations or unrest.

The UNESCO resolutions further threaten the flow of information in these countries, IAPA charged. "Almost all the recommendations adopted in San Jose show that we are in the presence of a deliberate effort, backed by a strange alliance of popularly elected governments and totalitarian or authoritarian regimes, to deprive man of his right to arrive at intelligent decisions on matters that affect his daily life," it said.

Another recent development in the same area was a resolution passed in New Delhi last week by 58 developing countries, to merge their press agencies, most of which are owned or controlled by the governments.

Such a pool would then distribute the government's official version of each country's events. In Third World countries served by Western news agencies, the government version could then be substituted.

The San Jose conference declared that the governments should "define a concerted policy with respect to the information content that should circulate via satellite between Latin American countries, and between our region and other parts of the world."

The conference ended Wednesday with another resolution saying, "It should be the state and the citizens to establish plans and programs for the extensive and positive

use of communication media within the framework of development policies.

"National communications policies should be conceived in the context of national realities, free expression of thought, and respect for individual and social rights."

IAPA, however, charged that UNESCO's communications philosophy discarded such traditional principles as "freedom of the press" and "freedom of information" for concepts "made to order for those governments that seek absolute power."

IAPA said it did not object to a proposal for the establishment of national and regional news services controlled by governments, as long as existing independent news agencies are not restricted.

It expressed the fear, however, that the governments eventually would force newspapers to publish official dispatches against their will, accepting "uncritical information or outright propaganda."

UNESCO representatives earlier suggested that newspapers be forced to devote a certain percentage of space to official news.

[From the Wall Street Journal, July 23, 1976]
MUZZLING THE WORLD'S PRESS

With freedom everywhere under assault, it is hardly surprising that freedom of the press is having a rough time of it. It's hard enough keeping government's hands off the press in democratic nations, much less in states where civilian or military dictatorships hold sway. Yet whatever the future of freedom generally, all the available signs point to rougher going than ever for the unfettered gathering and dissemination of news.

The first clear sign surfaced early this month when representatives of 58 Third World nations met in New Delhi and resolved to pool their government-controlled news agencies. At first, delegates talked about "replacing" coverage by the principal independent news gathering organizations, although now the talk is of "supplementing" that coverage with the "authorized" version of events. This is not likely to be decided officially until the proposal is ratified next month in Sri Lanka.

An equally disturbing sign of news management emerged from the 10-day conference of Latin American nations that ended this week in Costa Rica, sponsored by the UN Education, Scientific and Cultural Organization. Delegates recommended creation of a Latin American and Caribbean news agency to correct "the existing imbalance" in the flow of news in and out of the region by entrusting to it the "positive use of communications media within the framework of development policies."

Delegates were properly vague about how to go about this, but the thrust of the resolutions and the underlying philosophy point unmistakably to increased government control over the news.

The UNESCO conference resolutions likely would have been far more blatant, except for prior warnings raised by the Inter-American Press Association and Freedom House. Officials of the latter widely publicized earlier background papers prepared by UNESCO "experts"—most of them government officials—making it clear that their prime motivation was not news or information but ideology. And why not, since the original directive for the UNESCO guidelines was proposed by the Soviet Union and Byelorussia? Subsequent recommendations at a UNESCO-sponsored meeting in Bogota in 1974 ranged from expropriation of the news media to direct and indirect controls.

If the resolutions were not as bad as they might have been, it is no doubt because they are viewed as only the opening wedge of concerted efforts to transform the media into obedient instruments of government policy. Serious discussion was given to holding correspondents personally responsible if their

employers publish anything critical of the country where the correspondent is stationed; nationalizing print and broadcast media not yet under the government thumb; establishing "official communications policy" for resident newsmen and foreign correspondents, and licensing journalists.

The talk about licensing journalists is more than just talk, unfortunately. Colombia, ironically one of only two South American nations with an elected government and a free press, recently adopted regulations enabling a National Press Council dominated by government to issue credentials to journalists and revoke credentials of "unethical" journalists. Even foreign correspondents, unless subsequently exempted, must also be licensed.

Those who would make government the arbiter of what news is to be dispatched to the rest of the world claim, not surprisingly, that existing news agencies "distort" coverage. Subjectivity can never be entirely eliminated from communication, but international news services do strive hard for objectivity, not only out of professional pride, but out of self-interest, because they are acutely aware that they are serving a worldwide audience with highly diverse attitudes and ideologies. Are we expected to believe that government stooges would exercise the same concern for truth and objectivity?

It is of course obvious that what's really at issue here is an attempt to prevent the independent press from reporting news to the world that might prove to be embarrassing to governments and draw critical world opinion. It is but another sign of erosion of the UN charter and declarations that UNESCO is involved in this shabby game.

There still is a chance such efforts will fail. For one reason, there are substantial costs involved. For another, it will surely dawn on at least some nations that the price tag for controlling their own news will be knowing much less about what's happening in the countries around them. History has shown that such ignorance can be dangerous.

Still, it is disheartening to think that if the plans fail it will be for such narrow reasons rather than any concern for the rights of men and women everywhere to have the most dependable information possible about the world they live in.

[From the Washington Post, July 30, 1976]
UNESCO'S ASSAULT ON NEWS

UNESCO is at it again, trampling on the high principles it was created to serve. Its constitution commits all members to "recommend such international agreements as may be necessary to promote the free flow of ideas by word and image." But UNESCO is currently working up international agreements to block that vital flow. Its regional conferences have begun to act formally to convert news—which the Universal Declaration of Human Rights defines as something which "everyone" has a right to seek, receive and impart "through any media and regardless of frontier"—into a national commodity which it is any government's right to exclusively control.

Just last week, for instance, UNESCO's Latin-Caribbean sub-group proposed that regional governments "define a concerted policy" on what information should be distributed by satellite, and that the governments create a Latin news pool to "counterbalance" foreign-agency news. Another resolution called on governments to define the "social responsibilities" of the public and private mass communications sectors. Reinforcement is being given to these and other UNESCO moves by the conference of "non-aligned" states due to meet next month in Sri Lanka. Its members are expected to call for a pool of national news agencies so as to be in a position to counter, if not to

exclude, the Western agencies now providing much of their news.

The Russians and the other Communist states, of course, have long treated news as a state commodity—that is to say, as propaganda. What is new and unfortunate is the degree to which large parts of the Third World are moving toward the Russian position. They are asserting a claim to control not only news about themselves in their own media but—by restricting the correspondents and copy of Western media—news about themselves in the media of other nations. And UNESCO, instead of defending the principles to which its charter commits it, is instead allowing itself to be used to lend the coloration, status and mutual encouragement of international legitimacy to news restrictions heretofore asserted chiefly on a national basis.

Now, this newspaper, which offers its news product for foreign sale, has an undeniable self-interest in nourishing an international climate in which the commercial opportunities for Western media are maintained. But this, of course, is no different from the vested interest that the American media—being free, competitive institutions—have in maintaining the same commercial opportunities at home. It is a simple matter of principle coinciding with commercial self-interest, and the principle involved here, of course, was set forth at a rather early stage in our history, in the First Amendment to the Constitution. And if it is a sound principle for us in this country, it follows, or so it seems to us, that it is also a good rule to apply to the communication of ideas abroad; government sponsorship of the gathering or distributing of news, no matter whether the news originates inside a country or from outside, promotes propaganda and deforms the whole idea of a free press. And so, like just about everybody else in our business, we reject the notion that a state should exercise exclusive control—or any control, for that matter—over what news should be published. It is saddening, though perhaps, given its record, not entirely surprising, that this principle should be lost on UNESCO and that such an organization, with so much potential for the promotion of free communication, should allow itself to be converted from an instrument for the transmission of ideas into an instrument for the national regulation of ideas.

We are not insensitive to the feeling in some Third World places that they are swamped by the Western media—news agencies, satellites or what have you. In our judgment, however, their proper response is to strengthen their own media, as many (with Western aid) have done. To convert all news to propaganda in the name of combatting "cultural imperialism" is simply to follow the Russian example of tailoring mass communications to the convenience of the ruling elite. Obviously the model appeals to a growing number of Third World states. And this, we submit, is a dangerous and dispiriting trend.

[From the *Bergan Record*, July 21, 1976]

MORE DANGEROUS NONSENSE

The United Nations Educational, Scientific, and Cultural Organization is concluding today in San Jose, Costa Rica, a conference whose outcome is certain to have disturbing consequences for the free flow of international news.

The conference, which is attended only by Latin American nations, is expected to produce a resolution that would call for state control of the news media, allow Third World governments to screen news coming into or going out of their countries, and sanction the arrest of foreign correspondents whose organizations publish articles critical of the country they cover.

The Latin American resolution would then be used as a model for presentation at UNESCO's fall conference in Nairobi, Kenya, which would have global scope.

For Americans, the UNESCO move may ultimately mean that the only news they receive from Africa, Asia, and South America will be news that will have received a government censor's approval. For developing nations, it may not mean much, since the free flow of information there is already severely restricted by their governments. The intent of the UNESCO conference on press censorship becomes clearer when one considers that the idea was originated by the Soviet Union and that one of the prime movers behind the conference was India, where official censorship has been the policy since Prime Minister Indira Gandhi abandoned the pretense of running a democracy.

Since UNESCO has a built-in majority of developing nations, much like its parent organization, the Costa Rica resolution is likely to pass easily. Its chief provision would make Third World governments responsible for the content of news dispatches originating within their jurisdiction. This dovetails with the theory within UNESCO that international news organizations like the Associated Press, United Press International, Reuters, and Agence France-Presse have engaged in "cultural imperialism" by reporting news that places Third World nations in a bad light. The only solution, according to proponents of this theory, is to make sure that all information about developing countries comes directly from their governments, which would be empowered to screen all news dispatches.

Such claims and theories, of course are pure hogwash. But it would be foolish to dismiss them lightly. In all probability, UNESCO will approve the resolution. It may not mean much immediately, but it would give every tyrant and comic-opera despot in the Third World the chance to legitimize suppression of the news.

UNESCO's declaration would lend spurious dignity to the favorite tool of totalitarian regimes—state control of all information and the perversion of news into propaganda.

Just like the General Assembly at the United Nations, UNESCO is succumbing to pressure from its politicized membership, substituting repression for reason.

[From the *New York Times*, July 19, 1976]

PRESS WORRIED BY THIRD WORLD'S MOVE TO RESTRICT FLOW OF NEWS

(By Deirdre Carmody)

A major movement appears to be under way by third-world and Latin American countries that would restrict the free flow of news reporting in and out of these areas and eventually replace it exclusively with government-controlled information.

The trend is called "developmental journalism" by those who espouse it. Its rationale, in the view of its adherents, is that most news about developing countries comes from international news agencies and that this news is distorted.

The theory goes on to state—and it is this which horrifies Western news organizations—that the only way to report the cultural, economic and social development of these countries accurately is to have the information come directly from the governments themselves.

TREND BEING WATCHED

The trend is being closely watched by a number of press and broadcasting groups and associations concerned with freedom of information such as Freedom House and the Anti-Defamation League of B'nai B'rith. The move toward developmental journalism is producing a situation of "extreme gravity," in the words of George Beebe, associate publisher of *The Miami Herald*, who is chairman

of the executive committee of the Inter-American Press Association and of the World Press Freedom Committee.

One of the most recent causes of concern was a resolution last week by 58 developing countries, which met in New Delhi, to form a pool of their press agencies. The news organizations in most of these countries are owned by governments or controlled by them.

This pool of government-controlled news, which would represent official versions of events in each country, would then be substituted for the coverage that is now circulated by Western news agencies, such as The Associated Press, United Press International, Reuters and Agence France-Presse.

A draft constitution of the news pool was approved at the New Delhi conference. Its conclusions are to be ratified at a meeting of the heads of state of third-world countries next month in Colombo, Sri Lanka.

Of even greater concern to Western news agencies is a conference now being held by the United Nations Educational, Scientific and Cultural Organization in San Jose, Costa Rica, for Latin American nations with the purpose of forming "mass communications policies." The conference, from July 12 to 21, has become the source of controversy because papers submitted in preparation for it included the following alternatives:

Government-run news agencies "exclusively empowered" to disseminate information from outside the country.

Legal measures that would permit the arrest of correspondents from international press organizations if their newspapers or wire services published anything critical of the country where the correspondent was stationed.

Nationalization of independent print and broadcast news.

DISAVOWED BY UNESCO

When this information was made public earlier this month, UNESCO replied that these measures did not represent its policy but were simply the views of experts who had prepared papers for the San Jose meeting. However, the Inter-American Press Association, which met with members of the United Nations agency in San Jose, issued a statement saying that despite its disclaimers, "UNESCO's tendency to recommend official communications policy that could undermine freedom of the press remains unchanged."

"The highest authorities of UNESCO have repeatedly stated that it is not their intentions to limit or undermine freedom of expression," the statement went on to say. "It is clear, however, that freedom of expression means one thing to UNESCO and another to the Inter-American Press Association."

UNESCO officials in San Jose could not be reached for comment.

PARALLEL LANGUAGE NOTED

Although there does not seem to be an overt connection between the New Delhi meeting and the meeting sponsored by the United Nations agency, one of the stated purposes of the San Jose session was to set up "national communications policy guidelines" in Latin America that could be a model for African and Asian nations.

"The language used in Delhi and the language in the background papers for UNESCO are parallel—the exact arguments, the same phrases, the same references to 'cultural imperialism,' which is strictly a Marxist approach to journalism," said Leonard R. Sussman, executive director of Freedom House.

The original directive for the UNESCO guidelines was proposed by the Soviet Union and Byelorussia in 1972. Reports further defining these guidelines were given at meetings in Bogotá, Colombia, in 1974 and in Quito, Ecuador, in 1975.

This year's meeting was scheduled to have been held in Quito, but was called off after

some Latin American journalists protested that government control of the press was implicit in background papers being circulated to participants.

NO DIRECT CRITICISM

One of the most threatening aspects of all of this, according to Mr. Sussman, is that "there is now a sense of regional solidarity on the issue so that the left and the right now have one thing in common—they know how to repress the press."

"This is the one thing we fear so much," he said. "The one thing they will always have in common will be that they will not want to see the A.P. and the U.P.I. have the role they now have."

The A.P. and the U.P.I. said that whereas a lot of general allegations had come out of the New Delhi meeting and during the preparations of the UNESCO meeting, neither press agency had been approached directly with specific criticisms about its coverage.

"We have for years been criticized for alleged failure to present views of the local governments in the ways they would like them presented" said Roderick W. Beaton, the U.P.I. president.

PROPAGANDA AIM SEEN

"But I can't see for the life of me how the kind of thing they are now proposing could have any credibility," he said. "The information that would be sent out would be sent into a pool by governments and then distributed. It would essentially be propaganda. But the thing that disturbs us most is the UNESCO sponsorship—they are going against the United Nations Charter."

Wes Gallagher, president and general manager of the A.P., pointed out that "these nationalization talks have gone on sporadically for years now and nothing much ever seems to come of them."

"First of all, when you get to forming a news service you're talking about millions of dollars," he said. "Then, if two national news services get together and give their government's version of the news, what happens if they get into a dispute? Country A's reports are not going to be very well received in Country B."

STATEMENT BY REUTERS

Gerald Long, managing director of Reuters, said:

"We welcome anything that would increase the flow of information within regions of the world and between those regions. If the idea behind these projects is to increase the flow of information, then we welcome them."

"I think it is a pity that each time these countries meet to discuss these projects some of the participants, usually the same ones, begin by attacking those organizations which already distribute information around the world."

"I consider these attacks to be largely rubbish. It is said that existing world news organizations are poisoning the minds of non-aligned countries."

"If the amount of information from world news organizations reaching the citizens of those countries were known, it would be seen that there is not enough of it to poison anyone's mind. The only people who see large amounts of such news services are presumably government ministers and officials and I would expect them to be secure against any sort of outside influence."

RESTRICTIONS ON REPORTERS

The threat to freedom of information comes at a time when much of the third world is joining the Communist nations and closing itself off from critical inquiry. Entry visas for journalists are no longer a matter of routine in many countries and are often dependent on what a nation regards as a positive attitude to its policies.

Once in the country, the foreign correspondent often finds that he is denied

access to sources of information and that he is not allowed to visit areas where there are critical situations or unrest.

One New York Times correspondent, for instance, went to Tanzania to write an article about the Tanzanian approach to development. He was told on arrival that he should have submitted his precise program in writing so that a special government committee could rule on his request.

He was told that he could not leave the capital and that he would be unable to see any government officials. The sole official contribution to his piece was a collection of the speeches of President Julius K. Nyerere. The most recent of the speeches was three years old.

[From the New York Times, Aug. 2, 1976]

THIRD WORLD VERSUS PRESS—A MEETING IN LATIN AMERICA RAISES QUESTIONS ABOUT FREE FLOW OF NEWS

(By Deirdre Carmody)

Serious questions about the future of freedom of information in Latin America are being raised in the aftermath of a UNESCO conference in San Jose, Costa Rica, last month * * * of 21 Latin American governments met to draw up communications policies for the region.

The recommendations that emerged from the nine-day conference—for which the United Nations Educational, Scientific, and Cultural Organization had spent two years in preparation—are contained in a 60-page, single-spaced report that is still in draft form. But the language of the report is so rambling and filled with ambiguous phrases that those who are studying it find it difficult to determine exactly what the San Jose recommendations mean.

The first recommendation, for instance, states that "the free flow of messages throughout the world should be based upon juster criteria for the exchange between nations, as being a principle likely to hasten the new international order being sponsored by the United Nations."

In another instance, the report refers to "the need to demystify the media through experimental activities in alternative forms of communications"—a sentence that seems to need a bit of demystifying itself.

OUTCOME DISPUTED

As a result of the ambiguous wording, no one seems to agree on whether or not the conference continued warnings issued by some groups beforehand. They had asserted that its real purpose was to establish new government controls over the news media in Latin America.

Leonard R. Sussman, executive director of Freedom House, a national nonpartisan public affairs organization, had watched preparations for the conference with concern and has labeled the report "absolutely devastating." He said that its effect would be to "tie up the communications system of the hemisphere to the widest extent possible for control by individual countries."

On the other hand, Dr. Paul Fisher, head of the freedom of information center at the University of Missouri, who attended the conference as head of the United States observer delegation, said that he had expected the delegates to take a much harder line toward government control of the news media. He called the report "fairly mild and fairly exploratory."

THEME CAUSES CONCERN

What is perhaps most troubling to adherents of freedom of information is the theme that appears repeatedly in the report: that the news media "is one of the most effective instruments for promoting the development of peoples" and that it should be used to help bring about social change. * * * bland until it becomes apparent in the context of the report as a whole that it

has replaced the concept of a "free flow of information." The aim of a balanced flow of information is to bring about "the new economic and social order" to which the participating countries aspire. It thus refers to a system of information inextricably linked to government, which implies government control of the news.

The logical extension of this, in the view of several people who have studied the report, is that negative news about a country should be suppressed because it can only cause the nation harm and that only news beneficial to the government should be communicated.

One of the recurring phrases is "the balanced flow of information," which is seemingly. * * *

REGIONAL AGENCY SOUGHT

There is also a recommendation for the establishment of a Latin American or Caribbean news agency with the purpose of counterbalancing the serious imbalances attributed to existing news agencies. That recommendation specifically states that the establishment of the news agency should "in no way impair the free operation of existing agencies or their future development."

Another recommendation calls for the establishment of national councils that would issue "guidelines" to the press. This again implies the kind of control of news that is inimical to a free press.

The report will be presented to the general conference of UNESCO when it meets in Nairobi, Kenya, in October. The organization can then vote to accept, reject or amend the recommendations. Member nations whose governments were represented at the conference must also approve recommendations before they go into effect.

The conference reflects a concern that has been repeatedly voiced by third world countries—that existing news agencies do not cover developing countries adequately. At the San Jose conference, this was stated repeatedly—at times with considerable hostility as delegates accused foreign news services of "cultural aggression" that kept or tried to keep the developing countries in a state of dependence with respect to the nations where economic and political power was concentrated."

FOREIGN SERVICES CRITICIZED

Delegates complained that foreign agencies concentrated only on news of revolutions or natural disasters and paid little attention to educational and cultural news coming out of the developing countries. They said that there was so little emphasis on local news that they often would be ignorant of what was happening in neighboring countries if they depended on the foreign wire services.

Specialists in the news media here contend for the most part that these may be debatable points. What they object to however, is the extension of this argument by a number of delegates who say that foreign agencies cannot adequately cover the third world and that the only way to communicate accurate information is for the government to control the news.

"The conference has been useful on one point," said Dr. Pedro Simoncini, president of the Argentine Broadcasting Association and a delegate to the conference. "It has awakened the international organizations to be more alert than ever about what is going on behind the scenes that could make it impossible a few years from now to have any kind of free America."

REMARKS OF GEORGE BEBBE OF THE MIAMI HERALD AT THE SAN JOSE, COSTA RICA EMERGENCY SESSION OF THE IAPA EXECUTIVE COMMITTEE, JULY 12, 1976

The UNESCO-sponsored conference here this week not only is far more threatening to the free press of the Americas, but carries potential danger to the press of the entire world.

We would like to think that our concern is unwarranted; that the conference will back away from the previously drawn guidelines that would bring new government controls over the news media.

But we have been given no assurance that the recommendations adopted by a group of so-called UNESCO experts at meetings in Bogota and Quito will not be approved by the intergovernmental conference here.

Then the next step is to bring the declaration before UNESCO's 19th general conference in Nairobi, Kenya, in the Fall.

We are particularly bothered because this whole UNESCO thrust was generated in 1974 by Third World countries with the encouragement of the Soviet Union.

In fact, it is the Soviet-authored Article XII which says that "states are responsible for the activities in the international sphere of all mass media under their jurisdiction."

This declaration undoubtedly be approved at the African meeting, and while it is not legally binding, it is bound to be used by governments as authority to suppress the news media, especially the international wire services.

We are also interested in proposals of these UNESCO-sponsored conferences that national news agencies be organized in each Latin American and Caribbean country. We do not object to such agencies, but we are disturbed by the suggestion that these agencies control the news flow in and out of the country, including that of the international wire services.

The final report from the Quito meeting said in part:

"It is recommended that the respective governments take the necessary steps to insure that the national news agencies are exclusively empowered to disseminate news from outside the region referring to the internal affairs of each country, in order to avoid the distortion of news that is so frequent on the part of international agencies."

And that report also states that "objectives of a national news agency would be in line with the general intentions and aims governing the overall development strategy of the individual countries concerned."

Yes, they would institute news agencies paid for and supervised by governments, which would control the news flow in and out of a country.

Nowhere does the report show concern for strengthening freedom of the press or insuring the people's right to know.

Who can blame us for being concerned about the present and future when we review what UNESCO conferences have advocated in the past.

If the inter-governmental conference here this week persists in promoting the dangerous direction set in preliminary sessions, I as Chairman of the World Press Freedom Committee will seek to make IAPA's indignation of the entire journalistic world.

The World Press Freedom Committee now is composed of 11 international journalistic organizations, including the IAPA, International Press Institute, Press Foundation of Asia, Caribbean Publishers and Broadcasters Association, the Netherlands Newspaper Editors Association, American Newspaper Publishers Association, the American Society of Newspaper Editors and other leading journalistic groups.

No longer will any of these have to fight alone the abuses to a free press in their regions.

Our voices will be raised louder than ever before in condemning such a devious course.

As I indicated earlier, I hope that this will not happen. I believe the government representatives attending this conference will sense the dangers if these recommendations are offered—recommendations that in the long run can only be harmful to their own freedoms.

DECLARATION OF SAN JOSE

SAN JOSE, COSTA RICA.—Following is text of the "Declaration of San Jose," approved by the closing session of UNESCO on Wednesday:

The representatives of the governments of the states of Latin America and the Caribbean, members of the United Nations Educational, Scientific and Cultural Organization (UNESCO),

Meeting at the intergovernmental conference on communication policies in Latin America and the Caribbean, convened in San Jose (Costa Rica) from 12 to 21 July 1976, hereby declare: That man has a vital need to express himself and that therefore his free and spontaneous right to establish relations within his own community should be guaranteed; that this human attitude is encountered at all times, everywhere and in every type of society; that man, in his urge to communicate, has created a wide diversity of forms and media that constitute the whole range of cultural expression; that access to the entire range of cultural resources and the free and democratic participation of all men in the diverse manifestations of the spirit is a human right; that the growth of the population and the consequent increase in its spiritual and material needs have led men to apply their scientific talent to the creation of more and more efficient media and instruments that facilitate closer relations and communication between human beings; that those media form part of the resources of society and the scientific heritage of all mankind and therefore constitute fundamental components of universal culture; that there are sectors of the population which have yet to emerge from the isolation in which they live and be helped to communicate with one another and to be informed about national and world-wide affairs; that all the members of a society are responsible for ensuring the peaceful and beneficial use of communication media; the states have social, economic and ethical obligations and responsibilities in all matters relating to simulation, support, promotion and dissemination of the resources of the community in the interest of its overall individual and collective development; that they should therefore encourage individuals and peoples to become aware of their present and future responsibilities and their capacity for autonomy, by multiplying opportunities for dialogue and community mobilization; that it should be the joint responsibility of the state and the citizen to establish plans and programmes for the extensive and positive use of communication media within the framework of development policies; that national communication policies should be conceived in the context of national realities, free expression of thought and respect for individual and social rights; that communication policies should contribute to knowledge, understanding, friendship, cooperation and integration of peoples through a process of identification of common goals and needs, respecting national sovereignties and the international legal principle of non-intervention in the affairs of states as well as the cultural and political plurality of societies and individuals, with a view to achieving world solidarity and peace; that the United Nations and the agencies of its system, especially UNESCO, should contribute, to the fullest extent that their possibilities allow, to this universal process.

SENATOR HARRY F. BYRD

Mr. STENNIS. Mr. President, last June, on the grounds of the capitol at Richmond, Va., a statue was unveiled honoring the memory of a great American and a distinguished public servant and U.S.

Senator. I refer to the late Harry F. Byrd, who was the father of our present distinguished colleague, Senator HARRY F. BYRD, JR.

It was my privilege to serve with Harry F. Byrd and to number him among my close personal friends. A former Governor of the Commonwealth of Virginia, he was long an outstanding U.S. Senator in every sense of the word. He always put a high level of patriotism, honor, and duty above all else. The Nation has benefited greatly and will continue to benefit from his long and dedicated career of public service.

On the occasion of the unveiling of his statue, a distinguished journalist, Henry J. Taylor, wrote an article or column in tribute to the late Senator Byrd. In this splendid article, Mr. Taylor accurately described the Senator's many talents and virtues and painted a clear picture of this outstanding man and the noble ideals that he stood for. It will remind countless thousands of Americans, including a number of us of the many accomplishments of our departed friend and colleague. Therefore, I ask unanimous consent that Mr. Taylor's article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SENATOR HARRY F. BYRD'S STATUE UNVEILED IN RICHMOND, VA.

(By Henry J. Taylor)

RICHMOND.—I was invited here for the unveiling of the statue of the late Sen. Harry F. Byrd, bless this great and noble Virginian.

The lovely statue—10 foot high—stands among the magnificent trees that grace the Capitol grounds, facing the equestrian statue of Virginia's George Washington. It is extremely difficult to obtain this honor. The Commonwealth of Virginia was one of the original 13 states and the nominations are legion. But the Commonwealth legislature has accepted only six or seven on the Capitol grounds.

The unveiling ceremony, the soft-spoken recollections of long-time friend E. Blackburn Moore, the presentation by able Virginia Gov. Mills E. Godwin Jr. and the response by Sen. Harry F. Byrd Jr., the chip-off-the-old-block son were deeply touching. For as naval hero Stephen Decatur said of naval hero James Lawrence: "He always stood with his conscience; his conscience told him his duty and he had no more dodge in him than the mainmast."

This might well be said of the great Sen. Harry F. Byrd.

We see on all sides the sorry sight of many contriving men who worship power and come to believe that the end justifies the means. They manipulate the peoples' emotions, beliefs and hopes in their own interest. Harry F. Byrd was not one of them.

It is shamefully easy to latch onto popular give-aways too complex for the public to understand, always in the stance of the humanitarian, the donor, the man indispensable to you, you and you. They know how to get for themselves the most out of the public by giving the public what it wants without letting the people know they are paying for it. Sen. Byrd never did this.

Yet he was elected to this state's Senate in 1916, served there until 1926, was the youngest governor of his state since Thomas Jefferson and, until his failing health forced him to resign in 1965, served in the United States Senate longer than any Virginian—32 years. Moreover, Sen. Byrd received in his last reelection the largest majority in his entire career.

This treasured friend was exasperated and alarmed by Washington's calculated expansion of centralized government. He agreed that a large increase was indispensable, but from his sentry post saw that much of the expansion was contrived for personal political purposes.

Sen. Byrd was convinced that Big Brother is the road to autocratic government and that this means not the balance of legal rights but a confrontation of power. Even the little man needs help from some insider to be left alone.

He felt that government should unify, not dominate; it should be a catalyst, not an absorbant. This is the true liberal concept and he supported it in the fighting way that makes true liberalism's name synonymous with justice.

Yet the professional liberals and image-makers everlastingly complained about Sen. Byrd Sr. as they complain today about Sen. Byrd Jr.

Thomas Jefferson's personal seal appears on the Mace of the University of Virginia. It bears the quotation: "Rebellion to tyrants is obedience to God." This favorite quotation of that Virginian, attributed to Benjamin Franklin's usage, is on Capt. John Bradshaw's monument, one of the three English judges who sentenced King Charles I.

It is the libertarian sort of stock from which Sen. Byrd sprang and in his 50 years in public life nobody ever captured his battle flag or silenced his drums.

It is very, very hard to say goodbye to a man like that.

Hardly known to the public, still another attribute among men's virtues was woven into him. Sen. Byrd was not only gracious and forthright. He was incredibly kind.

Although French President Charles de Gaulle said of aging Marshal Henri Philippe Petain, "life is a shipwreck," Sen. Byrd's life was precisely the reverse. Born June 10, 1887 he died among his orchards at his lovely "Rosemont" home Oct. 20, 1966, age 79. And until the very last days of his life the years that passed over his head left only their springtimes behind.

NATIONAL MEALS-ON-WHEELS ACT

Mr. BAYH. Mr. President, I take this opportunity to express my support for the National Meals-on-Wheels Act of 1976, which now has 25 co-sponsors. This bill, which was initially inspired by the good will and unceasing efforts of private organizations and individuals, provides a mechanism by which 3.5 to 4 million of America's shut-in, homebound elders can avoid the debilitating physical effects of malnutrition as well as the mental anguish and dignity-robbing effect of the nursing home environs.

The thrust of S. 3585 is to provide elders with hot meals in their own houses, and thereby avoid the necessity of nursing home care. It has been estimated that as many as 40 percent of those presently in nursing homes require food preparation service only; if it could be provided for them at their own homes, they would not need to enter a nursing facility. Thus it is estimated that the \$80 million authorized for fiscal 1977, and the \$100 million fiscal 1978 authorization could, if expended as provided for in this bill, save \$200 to \$400 million per year in nursing home expenditures. Thus, by making a small expenditure now, we avoid unnecessary expenditures in the future. Considered as a fiscal and social investment, it is a small price to pay for

the benefits that will be reaped by America's shut-in and homebound elders.

As each and every one of us knows—or at the very least can imagine—a nursing home is no resort community. Many who are effectively, if not literally, forced to live in them consider them to be impersonal dormitories as opposed to new homes. And this is so unnecessarily wasteful—not only of lives but also of dollars—dollars which could be used to serve America's elders in a manner more conducive of the enrichment, as opposed to the mere preservation, of lives.

The meals-on-wheels program, as proposed in S. 3585, provides elders with hot meals on a daily basis. This simple service is one of the most difficult for elders to provide for themselves. Shopping, preparation, cooking, and cleaning is an exhausting task for many, and is impossible for some. For those who live alone, this task is often a depressing reminder of a spouse departed and/or of a family unable or unwilling to care. It is these abandoned Americans, who have given so much and now ask for so little, who so desperately need the assistance that this bill provides, whom we must not neglect. How easy and convenient it would be to forget them; they have no political "pull," no one to protect and to lobby for their interests. Too old to fight and too proud to beg, this segment of our population easily slips from the forefront of our thoughts as more vocal and visible groups make their claims for recognition and assistance.

This bill provides the Senate with the opportunity to take a needed step forward in this area. The Older Americans Act of 1974 was a step in the right direction but, by its language, cannot reach the very persons who are most in need of its benefits.

Title VII of the Older Americans Act allows for a limited amount of moneys to be allocated for meals-on-wheels programs. Its emphasis has been and should continue to be on congregate meals. Any further diversion of title VII funds to the meals-on-wheels programs would not be constructive because of existing, long, waiting lists of elders anxious to participate in the title VII congregate meals program.

Nor has title XX of the Social Security Act been available as a source of funding for the meals-on-wheels programs. According to a report issued in June 1976 by the National Council on the Aging—

Title XX provides a limited amount of service dollars over which groups in need of service are forced to compete at the local and State levels. Traditionally, the elderly have never fared very well under such a program. Thus, while 35 States report the inclusion of Meals on Wheels programs in their State Title XX plans, almost half do not provide the service state-wide and the percentage of Title XX monies being expended is less than one percent in most of these States. The number of persons estimated to be served by these Title XX Meals on Wheels programs is small and includes all age groups in need of service. At the same time these Title XX programs have been developed in too many cases outside the comprehensive planning program which is mandated by the Older Americans Act,

making coordination with the Title VII program almost impossible.

Mr. President, I would, therefore, like to take this opportunity to announce my wholehearted enthusiasm for and support of the national Meals-on-Wheels Act. It represents a long overdue commitment to a small but nonetheless important segment of the population, America's elders.

A BLACK "CONSERVATIVE" DISSENTS

Mr. BUCKLEY. Mr. President, ours is a society which prides itself on a receptiveness to dissenting views, to those whose opinions challenge what we call the conventional wisdom. Thomas Sowell is one such man. In his open opposition to busing, to affirmative action programs and to what he calls the caretaker class—those Federal bureaucrats who have grown affluent as mercenaries in the war on poverty, this self-styled black conservative has much to tell us. A fellow at the Center for Advanced Study in the Behavioral Sciences at Stanford University in California, Mr. Sowell challenges our conventional ideas of what the majority of black Americans think about the well-intentioned but often counterproductive efforts made by Washington bureaucrats in their behalf.

I ask unanimous consent that an article by Mr. Sowell, "A Black 'Conservative' Dissents," that appeared in the August 8, 1976, New York Times Magazine, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

A BLACK "CONSERVATIVE" DISSENTS (By Thomas Sowell)

Being a black "conservative" is perhaps not considered as bizarre as being a transvestite, but it is certainly considered more strange than being a vegetarian or a bird watcher. Recently a network television program contacted me because they had an episode coming up that included a black conservative as one of the characters, and they wanted me to come down to the studio so that their writers and actors could observe such an exotic being in the flesh.

Am I a black conservative? Is it hard enough to know what a "liberal" or a "conservative" is, without the additional racial modifications. Supposedly a "conservative" is satisfied with the status quo, but in more than 40 years of listening to people, ranging from welfare recipients to the President of the United States, I have never come across this mythical being who is satisfied with the status quo. I know of no statistical research, or even casual observations, that would lead to the conclusion that so-called "conservatives" are more content, complacent, or less outraged than people who carry the label "liberal." Some of the angriest people I know are called "moderates." Since truth-in-labeling laws do not apply to politics, there is little that can be done about all this.

Once it is realized that "liberal" and "conservative" are simply arbitrary designations for opposing political teams (more elegant but not more meaningful than "Dodgers" and "Mets"), we can turn to the substance of the issues between them. From this point of view, a so-called "conservative" is nothing more than a dissenter from the prevailing liberal orthodoxy. A "radical" would simply

be someone who carries the liberal orthodoxy to further extremes.

Why would a black man dissent from the prevailing liberal orthodoxy, and especially on such racial issues as busing, "affirmative action" and the like? The question itself shows how pervasively the mass media have stereotyped and filtered the news. Most black people oppose busing. Polls that showed a black majority in favor of busing a few years ago have begun to show black pluralities and, finally, an absolute majority of blacks against busing. What is rare is to see any black opponent of busing in the media. The media-created black "spokesman" usually shares media-created values. The impression is insinuated that such "spokesmen" represent the "grass roots," or "authentic" ghetto blacks, while black dissenters from the liberal orthodoxy are from a remote "middle class" fringe. This impression must be *insinuated*, because there is little evidence for it—and a tremendous amount of evidence to the contrary. Many of the most fiery "militants" are middle-class Negroes now trying to live down their past by being blacker-than-thou, like true converts.

When the Supreme Court struck down state-imposed segregation in 1954, the decision was justifiably hailed as the climax of a struggle of many decades against Jim Crow laws and gross discrimination in the availability of public services, including education as a crucial necessity. Two more decades of bad faith, foot dragging and evasions produced ever tighter judicial control, culminating in court-ordered busing to achieve racial "balance." In short, we have arrived at a position that was not implicit in the original decision, and in many ways goes counter to the original concern for insuring individuals constitutional rights *without regard* to color or other group characteristics.

The prevailing liberal orthodoxy insists that busing is essential for black children to receive their constitutional rights—and that they are to have their rights if it kills them. King Solomon is said to have chosen the true mother of a disputed infant by asking the two women concerned whether each would agree to having the baby cut in half to satisfy their rival claims. It was perhaps the first confrontation between principles of humanity and statistical "balance." Fortunately, King Solomon did not rely on H.E.W. guidelines for a solution.

Remarkably little attention has been paid to the black children who are supposed to benefit from busing. Certainly, little attention has been paid to the facts about their educational or psychological well-being before or after court-ordered "integration." It was assumed from the outset in 1954 that separate schools are inherently inferior. Anyone familiar with the history of numerous all-Jewish or all-Oriental schools could have exposed this for the sheer nonsense it was, and there also a number of all-black schools that would have exposed this fallacy. All-black Dunbar High School in Washington had an average I.Q. of 111 in 1939, compared with the national average of 100—and this 15 years before sociological stereotypes were enshrined as the "law of the land."

The really crucial assumption behind involuntary busing is that some tangible benefit will result—presumably to black children, but, one would hope, to white children as well, and to the cause of racial understanding and mutual respect. The hard evidence does not support any of these assumptions. One can select isolated pieces of data to support the assumptions, but at least as much evidence can be found showing declining academic performances, lower self-esteem by black children and greater racial antagonism on the part of both black and white children after busing is imposed.

Busing is not a policy but a crusade. For a policy, one can ask, "Does it work?" At what cost? What is the human impact? For a crusade, the relevant questions are: "Whose side are you on?" "Is your courage failing?" "Can we dishonor the sacrifices of those who went before by turning back now?" The last thing a crusader wants to hear is cost-benefit analysis. And if the crusader is a white liberal whose own children are in private schools, his courage knows no bounds.

One of the last refuges of those who admit the sorry academic and social record of involuntary busing is the so-called "hostage" theory of integration. According to this view, the only chance black children have for getting a fair share of educational resources is to be mixed in with white children, so that discrimination is thwarted. This assumes that it is easier for courts to control racial "balance"—in the face of "white flight"—than to control dollars and cents paid from a central fund. It also assumes a greater educational effect from differences in per-pupil expenditures than existing studies substantiate.

Finally, there is the simple vested interest of civil-rights lawyers and leaders who have a heavy personal stake in pursuing the courses of action that brought them success and prominence in the past. There is nothing peculiar in this. It is, in fact, all too human. Generals have long been known for fighting the last war. In view of history, it may be too much to expect any organization to stop on a dime and then head off in another direction in high gear. But it is not too much to expect the rest of us to be able to see when a given approach has made its contribution, served its purpose and become counterproductive. We certainly need not repeat the mistake of Vietnam by sacrificing the younger generation to spare leaders the embarrassment of losing face.

The question may once have been "segregation" versus "integration" but it is that no longer. Neither Federal, state nor local government may segregate any longer. "Racial balance," however, is in most cases a will-o'-the-wisp, as changing neighborhoods, private schools and exodus to the suburbs repeatedly defeat the numerical goals of busing. In some cases, there is more racial separation in the classroom after years of busing than before. As for "integration" in some more meaningful social and psychological sense, going beyond racial body count, compulsory transportation is the least likely process for achieving that goal. It is a tragic commentary on the liberals' misunderstanding of their fellow human beings that they cannot grasp the difference between the effects of voluntary interracial association and involuntary placement in the same buildings. It is true that, prior to the 1954 Supreme Court decision, much evidence showed greater tolerance and better educational results for black children when going to schools—usually neighborhood schools—with white youngsters. But these were black and white schoolchildren who *chose* to live and go to school in the same neighborhood, and who grew up around one another—not strangers confronting strangers in an atmosphere of compulsion, anxiety and heightened racial defensiveness.

The grand delusion of contemporary liberals is that they have both the right and the ability to move their fellow creatures around like blocks of wood—and that the end results will be no different than if people had voluntarily chosen the same actions. It is essentially a denial of other people's humanity. It is a healthy sign that those assigned these subhuman roles have bitterly resented it, though it may ultimately prove a social and political catastrophe if their anger at judicial and bureaucratic heavy-handedness finds a target in blacks as scapegoats.

The same statistical approach to human problems found in the busing controversy is applied to the labor market in the Federal "affirmative action" program. There is also the same heavy reliance on assumptions, the same disregard of facts and the same crusading assurance that whatever one does in a noble cause is right.

One of the first things that is done in many noble causes is lying. "Affirmative action" is no exception. The racial, ethnic and sex quotas that are set under "affirmative action" hiring are denied by calling them "goals" and attempting to make elaborate scholastic distinctions between the two. We are told that "goals" are not "really" quotas because goals are flexible while quotas are rigid. But this revision of the English language ignores both facts and usage. "Quota" is no new or exotic word the liberal missionaries must explain to the heathen. There are immigration quotas, import quotas, production quotas and all kinds of other quotas—and whether those quotas happen to be met or not during a particular time period, no one denies that they are quotas. Quotas are quantitative rather than qualitative criteria. Everybody knows that, and that is precisely what critics object to.

"Affirmative action" quotas are supposed to compensate minorities and women for past injustices, but before any benefit can compensate anybody for anything, it must first be a benefit! There is very little hard evidence that "affirmative action" has that net effect, just as there is very little hard evidence that busing benefits black schoolchildren. Black income as a percentage of white income reached its peak in 1970—the year before mandatory quotas ("goals and time-tables") were established—and has been below that level ever since (due largely to the recession). In short, blacks achieved the economic advances of the 1960's once the worst forms of discrimination were outlawed, and the only additional effect of quotas was to undermine the legitimacy of black achievements by making them look like gifts from the Government.

Undoubtedly, here and there some individuals have gotten jobs they would never have been eligible for otherwise. But however striking such examples might be, the overall picture depends on two other factors—what proportion of the labor force such people constitute, and the extent to which "affirmative action" has the offsetting consequence of actually reducing job opportunities for minority or female applicants. Since quotas apply not only to hiring but also to pay and promotion, some employers choose to avoid later problems by minimizing the initial hiring of nonwhite or female applicants. This is particularly true where there is a substantial risk that any applicant—of whatever race or sex—may have to be let go later on. For example, in the academic world, the "up-or-out" promotion system means that the top universities are constantly firing many junior faculty members at the end of their contracts, without any explicit "fault" being alleged. The legal and political dangers in applying this policy to minorities and women give universities an incentive either to avoid hiring minorities and women or to sidetrack them into special administrative jobs where this policy does not apply. Other industries also create "special" or "token" jobs for similar reasons, with the same net effect of reducing the career prospects of minorities and women—as a result of Government pressures designed to have the opposite effect.

Despite a tendency to consider women as a "minority," both the history and the present situation of women are quite different. Contrary to a fictitious history about having come a long way, baby, women today have less representation in many high-level positions than 30 or 40 years ago. In earlier times, women made up a higher proportion

of doctors, academics, people in Who's Who, and in professional, technical and managerial positions generally. If you plot on a graph the proportion of women in high-level jobs over the past several decades, and on a parallel graph the number of babies per woman, you will see almost an exact mirror image. That is, as women got married earlier and earlier and had more and more babies, their careers declined. In recent times, as the "baby boom" passed and both marriage rates and child-bearing declined, women have started moving back up the occupational ladder relative to men—though in many cases not yet achieving the relative position they held in the 1930's. This upturn was apparent before "affirmative action" quotas.

If you go beyond the sweeping comparisons of "men and women" that are so popular, it is clear that marriage and childbearing have more to do with women's career prospects than employer discrimination. In 1970—before mandatory "goals and timetables"—single women in their 30's who had worked continuously since high school averaged higher earnings than single men in their 30's who had worked continuously since high school. In the academic world, single women with Ph.D.'s achieved the rank of full professor more often than single men who received their Ph.D.'s at the same time—and this again, before quotas.

These are among the many facts ignored by proponents of "affirmative action." Such facts are relevant to policy but they do not support a crusade, which requires an identifiable enemy, such as male chauvinist employers. A much stronger case can be made that career women are discriminated against in the home, where they are expected to carry most of the domestic burdens, regardless of their jobs. But there is no crusade to mount, and no political mileage to be made, from advising women to go home and tell their husbands to shape up. Both messiahs and politicians have to be able to promise people something, and very often that involves misstating the original problem, in order to make the promise sound plausible.

The grand assumption that body count proves discrimination proceeds as if people would be evenly distributed in the absence of deliberate barriers. There isn't a speck of evidence for this assumption, and there is a mountain of evidence against it. Even in activities wholly within each individual's control, people are not evenly distributed: The choices made as to what television programs to watch, what games to play, what songs to listen to, what candidates to vote for, all show the enormous impact of social, cultural, religious and other factors. One-fourth of the professional hockey players in the United States come from one state; ¹ more than a quarter of all American Nobel prize winners are Jewish; more than half of all professional basketball stars are black.

Can one state discriminate against the other 49? Can Jews stop Gentiles from getting Nobel prizes, or blacks keep whites out of basketball? Obviously there are reasons of climate, tradition and interest that cause some groups' attention to be drawn strongly toward some activities, and that of other groups toward other activities. It need not even involve "ability." Some groups that have been tremendously successful in some activities have been utter failures in other activities requiring no more talent. Even such an economically successful urban group as American Jews had an unbroken string of financial disasters in farming, while immigrants from a peasant background succeeded, even though peasant immigrants could not begin to match the Jews' performance in an urban setting. As a noted historian once said, "We do not live in the past, but the past in us."

¹ Minnesota.

It takes no imagination at all to see the heavy weight of the past among both minorities and women. Even those minority and female individuals who are able to take advantage of higher education opportunities do not specialize in the same fields as others, but disproportionately choose such fields as education and the humanities—where most people are poorly paid, regardless of sex or race. There are good historical explanations for such choices, but these are not necessarily good economic reasons. However, unless we are prepared to deny free choice to the supposed beneficiaries of "affirmative action," it is arbitrary social dogma to expect an even distribution of results.

Should we do nothing? That is the bogeyman of unbridled discrimination that "affirmative-action" spokesmen try to scare us with. But we were not doing "nothing" before quotas came in. The decade of the 1960's saw some of the strongest antidiscrimination laws passed anywhere, backed up by changing public opinion and by a new awareness and militancy among minorities and women. The dramatic improvement in the economic position of blacks was just one fruit of these developments. Despite the tendency of "affirmative action" proponents to conjure up images of discrimination in decades past, the question is, what existed just before the quotas, and what has happened since? That is the relevant question, and the answer shows a mountain laboring to bring forth a mouse—and often not succeeding. As we have seen, the ratio of black income to white income has never been as high since mandatory quotas as it was just before such "goals and timetables."

Why is "affirmative action" so ineffective, despite all the furor it stirs up? Simply because its shotgun statistical approach hits the just and the unjust alike. Just as the crime does not consist of demonstrable discrimination against someone, but of a failure to meet governmental preconceptions, so the punishment does not usually consist of penalties imposed at the end of some adjudicatory process but of having to go through the process itself. For example, the University of Michigan had to spend \$350,000 just to collect statistics for "affirmative action." For all practical purposes, that is the same as being assessed a \$350,000 fine without either a charge or proof of anything. Most "affirmative action" proceedings do not end up in proof of guilt or innocence, or in any penalty, though many end up settled by "peace with honor" in the form of elaborate plans with good intentions spelled out in statistical detail: 1.3 more black accountants per year, 2.7 more female chemists, etc. If King Solomon had operated under "affirmative action," he would have promised each woman 0.5 children, and gone back to business as usual.

It has long been known that the road to hell is paved with good intentions, and that is where they lead in this case. And since many of the quotas were virtually impossible of achievement from the outset, there is even less reason than usual to expect much from such statements under such pressures. Just as in television the medium is the message, so under "affirmative action" the process is the penalty. And since this penalty falls on the guilty and the innocent alike, it provides no reason for even the worst bigot to change. Nor will it exempt even the purest heart from the harassments of bureaucrats. Indiscriminate penalties do not produce change but only resentment. As in the case of busing, resentment against Government heavy-handedness is often misplaced as hostility to the supposed beneficiaries. The fact that there is really very little benefit to any group only completes this tragic farce.

One of the reasons why many programs that don't work still keep going strong is that they sound so noble. Moreover, cham-

pioning the disadvantaged is not only an inspiration but an occupation. To be blunt, the poor are a gold mine. By the time they are studied, advised, experimented with and administered, the poor have helped many a middle-class liberal to achieve affluence with Government money. The total amount of money the Government spends on its many "antipoverty" efforts is three times what would be required to lift every man, woman and child in America above the official poverty line by simply sending money to the poor. Obviously, there are a lot of middlemen who get theirs: administrators, researchers, consultants, staffers, etc. These are the army of people who "take care" of the poor in a variety of ways. Such caretakers are the modern equivalent of the missionaries who came to do good and stayed to do well. It is no accident that the highest income counties in the United States are in the suburbs of Washington, D.C. Poverty is the cause of much of that affluence.

Central to the costly "caretaker" approach to helping the poor—by paying money to someone else—is an image of the poor as too helpless to make it was mere money. A picture is said to be worth a thousand words, but this particular image is worth billions of dollars to the caretaker class. Public resentment at the tax cost of the "antipoverty" establishment takes the form of disenchantment with the poor and minorities, though most of the money ends up in the pockets of people who are neither.

Like every army, the army of caretakers requires both material and moral support. The taxpayers supply the material support. The moral support comes from those who accept the image of the helpless poor and who project that image—and the corresponding "need" for caretakers—through the mass media in the colleges, and to a captive audience of millions in "social studies" in the public schools. Since many who project such an image are themselves products of years of the same kind of sociopolitical conditioning, something very close to perpetual motion has been created.

The image of the helplessness of the poor is repeatedly invoked to defeat proposals for income maintenance, educational vouchers and any other reforms that would enable the poor to make their own decisions and eliminate the caretakers. How helpless are the poor? And—since I am speaking as a black "conservative"—specifically, how helpless are blacks?

History shows that one of the most massive internal migrations in this country has been the movement of millions of blacks out of the South in the last two generations, in order to seek a better life for themselves. This was a spontaneous decision of millions of individuals, not organized by indigenous "leaders" nor promoted by outside caretakers. Going even further back in history, to 1850, the census of that year showed that most of the half-million "free persons of color" were literate, despite (1) being denied access to the public schools in most parts of the country, (2) being forbidden by law to go to any schools in many Southern states, and (3) having very low incomes and occupations and few opportunities to cash in on the education. Private and even clandestine schools for blacks existed all over the United States in 1850, most of them supported by blacks themselves out of meager incomes. Today, many ghetto blacks in cities across the country are sending their children to Catholic schools—though the blacks in question are usually Protestants—in order to seek better education than the public schools provide.

For example, it has been estimated that more than 10 percent of all black children in Chicago go to Catholic schools. If educational vouchers, were to make education free at both private and public institutions,

would black parents be too helpless to make a choice among the various schools available to them? Or is the real problem that many caretakers in the educational bureaucracies would find themselves out of a job?

At a time when every silly trend in education is proclaimed in the media as an "innovation," the struggle of thousands of poor black families to send their children to private schools is a nonevent for those who shape public opinion. Where these private schools are Catholic, they are often in ghetto neighborhoods abandoned by earlier Catholic immigrant minorities, and it is not uncommon today for the bulk of the student body in these schools to be non-Catholic. Some of the Catholic schools have achieved remarkable educational success with black students, at far lower cost per pupil than the public schools. But it isn't news.

Indeed, black advancement in general isn't news. The research team of Scammon and Wattenberg was roundly denounced in the media when it reported very substantial gains of blacks across a broad front, in education, income, occupation and housing in the decade of the 1960's. In older times, messengers were sometimes killed for bringing bad news to the king. Today those who bring good news are in jeopardy, for they are threatening the whole caretaker industry and undermining an image supported by the caretakers' allies in the media and in politics.

How unusual is a so-called "black conservative"? Not very. Being an exception to a media image is not being an exception in real life. The real opinions of flesh-and-blood black people have repeatedly been found to be completely different from the "black" opinions of media-selected "spokesmen."

An Ebony magazine poll comparing the views of blacks with those of college students found blacks consistently more "conservative" than the college students. The great majority of blacks considered this country worth defending against foreign enemies and rejected violence as a means of achieving social change. A Gallup poll found that a substantial majority of blacks regard the courts as too lenient on criminals. Still another survey found that more than three-quarters of the blacks describe themselves as "sick and tired" of hearing attacks on "traditional American values."

So being a black "conservative" is not quite as distinctive as it might seem.

HUMAN RIGHTS AND THE POLICY OF TORTURE

Mr. McGOVERN. Mr. President, one of the most revolting facts of life in today's world is the prevalence of torture as official policy in many parts of the globe. The systematic, brutal torture practiced by many countries has shocked my sensibilities more than any other human perversion.

The editors of Time magazine have given us a graphic, astounding account of torture in a number of countries. An article in the August 16 issue of Time, entitled "Torture as Policy: The Network of Evil," should be read and pondered by every Member of Congress.

I think we should make clear in the most forcible terms that no American aid will be granted to any government that is known to practice torture as an official policy. We ought to protest these barbaric practices in the most forceful possible way. I intend to increase my own efforts to separate American aid from any government where torture takes place as a matter of government

policy. Any sense of decency demands that we do no less.

I ask unanimous consent that the excellent article appearing in Time be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

TORTURE AS POLICY: THE NETWORK OF EVIL

No one shall be subjected to torture or to cruel, inhuman or degrading treatment or punishment.—The Universal Declaration of Human Rights

Virtually every nation on earth subscribes to that straightforward principle. Yet like most other U.N. pledges, the clause is widely and brutally ignored. It is one of the grim truths of the second half of the 20th century that rarely before in history has torture been in such widespread use. Amnesty International, the widely respected human rights organization headquartered in London, estimates that in the last decade torture has been officially practiced in 60 countries; last year alone there were more than 40 violating states. From Chile, Brazil, Argentina, Uruguay and Paraguay to Guinea, Uganda, Spain, Iran and the Soviet Union, torture has become a common instrument of state policy practiced against almost anyone ruling cliques see as a threat to their power. Torture, says Marc Schreiber, director of the U.N.'s Commission on Human Rights, "is a phenomenon of our times."

Throughout much of the world, army barracks, police stations, offices and special wards in hospitals have been turned into interrogation centers, whose express purpose is inflicting hideous and often unbearable pain. There is a new subculture of terror with its own language and rituals (*see box*). There is also a new technology, involving sophisticated devices that can destroy a prisoner's will in a matter of hours, but leave no visible signs or marks of brutality.

OVERWHELMING EVIDENCE

Governments that routinely use torture as an instrument of state policy generally deny that such practices exist. At the same time, the difficulty of making unhindered investigations of conditions in closed societies and police states virtually guarantees that many abuses remain uncovered. Torture, moreover, is a most murky area, rife with exaggerated claims, politically motivated propaganda and just plain misinformation. Nonetheless, independent human rights organizations, reporters and others have managed through interviews and on-the-scene investigations to compile a credible and apparently accurate record of torture in many parts of the world.

In some places the evidence of torture is overwhelming and irrefutable. The brutality of General Augusto Pinochet Ugarte's regime in Chile, for example, has become something of an embarrassment to the Ford Administration. Last May, Treasury Secretary William Simon helped secure the release of at least 49 political prisoners. Shortly afterward, at the June meeting of the Organization of American States in Santiago, Secretary of State Henry Kissinger made his strongest statement yet on human rights. "A government that tramples on the rights of its citizens denies the purpose of its existence," Kissinger announced, adding: "There are several states where fundamental standards of human behavior are not observed."

Carrying Kissinger's sentiments further than he wanted them to go, Congress passed an amendment to the 1976 foreign military aid and arms sales bill that would have required reports on human rights conditions in countries receiving U.S. aid. President Ford vetoed the entire bill, but the rider's sponsor, Democratic Representative Donald

Fraser of Minnesota, says the measure will come up before the White House again early next year.

Next to murder, torture is the most egregious violation of personal rights one human being can inflict on another. Sadly, the practice is almost as old as history. During the Middle Ages, suspected heretics were racked, scourged and burned by representatives of the Inquisition in order to make them recant, while in this century Hitler's concentration camps and Stalin's Gulag Archipelago institutionalized torture and brutality on a scale hitherto unknown. The 1948 United Nations' Declaration of Human Rights condemning torture was one notable reaction of the world community to the excesses of the Third Reich. But torture did not stop. The French used it systematically during the eight-year Algerian War. The British relied on torture to gain information about I.R.A. terrorists in Northern Ireland, while the Saigon regime brutally mistreated suspected Communists throughout most of the Viet Nam War.

WORST FEARS

Of the dozens of nations accused of practicing torture today, it is difficult to single out the worst violators. The examples most frequently cited by experts are Chile and Iran.

In the three years since the overthrow of the Marxist Allende government, according to respected church sources, an estimated 1,000 Chileans have been tortured to death by the ruthlessly efficient secret police, the DINA. In one wave of arrests 18 months ago 2,000 people were brought in; 370 have never been seen again. These gruesome statistics confirm the worst fears of many Chileans, that certain suspects are marked first to be tortured—generally for information about their political associations—and then executed.

The torture takes place in clandestine and ever changing places of imprisonment; one center is the Villa Grimaldi in Santiago, a former discotheque. Many suspects who live through their tortures are simply transferred to a detention camp, like Tres Alamos in Santiago. According to one report by reliable groups within the country, there were 85 female prisoners at Tres Alamos as of May; 72 of them insisted that they had been tortured. The most common methods: beating, rape (sometimes by trained dogs), electric shock and burnings with lighted cigarettes.

The DINA is fairly ecumenical in finding victims: former parliamentarians and army officers have been tortured, as well as suspect leftist terrorists. Recounts Carlos Pérez Tobar, once a lieutenant in the Chilean army arrested by the junta after he tried to resign his commission: "I was tortured with electric shock, forced to live in underground dungeons so small that in one I could only stand up and in the other only lie down. I was beaten incessantly, dragged before a mock firing squad, and regularly told that my wife and child and relatives were suffering the same fate."

As for Iran, since a coup restored Shah Mohammed Reza Pahlavi to his throne in 1953, says the Geneva-based International Commission of Jurists, human rights violations, including torture, "are alleged to have taken place on an unprecedented scale." Estimates of the number of political prisoners range from 25,000 to 100,000; it is widely believed most of them have been tortured by the SAVAK, secret police, which French lawyer Jean Michel Braunschweig, who investigated conditions in Iran last January, claims has 20,000 members and a network of some 180,000 paid informers. The country's repertory of tortures includes not only electric shock and beatings, but also the insertion of bottles in the rectum, hanging weights from testicles, rape, and such apparatus as a

helmet that, worn over the head of the victim, magnifies his own screams.

SAME METHODS

Last week TIME Correspondent Christopher Ogden, in Iran with Secretary Kissinger, took up the torture allegations with the Shah. "We don't need to torture people any more," the Shah replied. "We use the same methods some of the very highly developed nations of the world are [using], psychological methods. We put them [prisoners] in front of confessions; when faced with a confession of their comrades, they tell us everything obviously." The Shah also rejected claims about the number of political prisoners in the country, saying that it was closer to 3,400 or 3,500. "But [those are] not political prisoners," he added. "These are Marxists, either terrorists, killers, or just people who have no allegiance to this country."

In fact, however, one group that SAVAK seems to have concentrated its attention on consists of writers, artists and intellectuals. Among those arrested and tortured in the past two or three years: Vida Hadjebi Tabrizi, a distinguished woman sociologist; Gholam-hossein Sa'edi, a renowned Iranian playwright, and Writer Fereydoon Tonokaboni.

Perhaps the most terrifying feature of torture in Chile and Iran is its institutionalization, the fact that it has become the almost private domain of huge, semiautonomous police agencies. Once embroiled in the torture monolith, the individual has no appeal, no recourse to the kind of legal authority provided by functioning courts. But whether to an equal or lesser degree, torture is very much a part of life in many other countries as well. Some recent instances:

In Paraguay, the dictatorial regime of Alfredo Stroessner this year reportedly launched a new wave of political arrests involving several hundred people. It is the third such wave since late 1974. Witnesses to conditions in Paraguay's primitive jails claim that detainees are regularly tortured. One recent victim was internationally known anthropologist Miguel Chase Sardi, who was released in June after seven months in prison. Chase Sardi says he was drugged, beaten and dipped upside down in water to the point where his hearing may have been permanently damaged. Other methods of torture include electric shock, the extraction of fingernails and forcing a prisoner to drink water until he faints.

In Uruguay, once the democratic Switzerland of South America, it is estimated that an astonishing one out of every 50 citizens has been either interrogated, detained or jailed since 1972. "Half the prisoners have been tortured," says former Senator Wilson Ferreira Aldunate, "by which is meant they have been submitted to electric shock or submerged in water until they passed out." Another common method is the "planton," whereby a prisoner is forced to stand for hours or even days with his weighted arms outstretched and feet spread far apart.

In India, claims of torture used against political prisoners have steadily increased since Prime Minister Indira Gandhi declared a state of emergency 13 months ago. The New York-based International League for Human Rights charged last June that Indian jailers have been guilty of "torture, brutality, starvation and other mistreatment of prisoners." Common methods: beatings with steel rods and rifle butts, electric shock and burning with candles.

In the Philippines, President Ferdinand Marcos has declared that "no one but no one has been tortured." An investigation by the Association of Major Religious Superiors, representing the leaders of the country's Roman Catholic orders, charged that prisoners in a police and army network of detention centers and "safe houses" have been tortured by beatings, electric shock and other methods.

In an unreleased report that was presented to the Philippine government for comment last fall, Amnesty International charges that torture is used in the Philippines "freely and with extreme cruelty, often over long periods."

In Spain, the torture of political suspects, especially Basque separatists, apparently continues despite King Juan Carlos' seemingly genuine wish to liberalize political life. This is in part because the notorious Guardia Civil, the most feared of Spain's law-enforcement agencies, is virtually a law unto itself in the four Basque provinces. One common torture method used by the Guardia is bastinado, the continual flogging of the soles of the feet with a rubber truncheon.

Unfortunately, the list of countries continues to stretch across the globe. There have been several well-documented cases of torture and even death during interrogation in South Korea. According to Amnesty International, there have been numerous charges of brutal, disfiguring tortures in Iraq, especially in Baghdad's Kasr-al-Nihaya Prison. In many black African countries, few torture victims survive to tell their stories. In such one-man dictatorships as Francisco Macias Nguema's Equatorial Guinea, Idi Amin's Uganda, Jean Bédel Bokassa's Central African Republic and Ahmed Sekou Touré's Republic of Guinea, unimaginably cruel, capricious and unpredictable tortures are everyday occurrences. In tiny Equatorial Guinea, which has suffered a reign of terror since gaining independence eight years ago, political prisoners have had their eyes gouged out by torturers of the notorious Macias Youth. Other prisoners have been forced to stand for days in a pit, up to their necks in mud and water.

INTIMIDATING AIM

In Guinea, a common torture is confinement in a cell too small to allow a prisoner either to stand up or lie down. "The cell they put me in was about 4 ft. by 2 ft.," testifies Soumah Abou, 46, one of Sekou Touré's victims who now lives in France. "It had a tin roof and a metal door. There was no window, only some ventilation holes. There was no light, no bed, no place to go to the bathroom. For eight days I had no food or water."

The aim of torture is virtually the same everywhere: to gain information about subversives, terrorists, opposition groups, and to intimidate would-be dissidents. A show of brutality can be a devastatingly effective way of keeping people in line. Yet in many Communist nations this is simply not necessary: the torture chamber, anti-Communists argue is countrywide. All-powerful, ever vigilant party apparatus, supported by huge secret police forces, make opposition almost impossible; thus torture on a grand scale is superfluous.

Communist countries like China, North Korea, Cuba and others nevertheless have their networks of "labor reform" camps for "re-educating" dissidents. The harsh life of these camps, with their meager diets, minimum time for sleep and long hours of labor, can produce agony bordering on torture.

Among Communist states that use torture, the Soviet Union is probably the worst offender. A common method of dealing with dissidents is to declare them insane and lock them away for years in mental hospitals, like the notorious Serbsky Institute in Moscow. There low-calorie diets and drug treatments produce pain and suffering as acute as more physical methods of repression. One dissenter Cybernetics Specialist Leonid Plyushch, now living in Paris, testified that he was kept in the Dnepropetrovsk Special Hospital for 30 months after getting a spurious diagnosis of "torpid schizophrenia" with "re-form-making illusions." Plyushch saw beatings applied to other patients. He himself received insulin and heavy doses of sulfur which caused discomfort so intense that all

you could do was endlessly search for a new position."

How do nations justify torture? The most common argument is that the practice is an unfortunate but indispensable means of combating lawless elements that threaten the security of the state especially terrorist extremists. The argument draws some support from the reckless brutality of recent terrorist movements and from the massive Communist threat—at least as it is perceived in many countries. "Nobody wants to be called a torturer," says one senior Argentine officer. "The word stinks of cowardice. But nobody ever gave away important information because a gentleman came up to him and said: 'Please tell me what you know.'"

The argument justifying torture as a necessary evil is dangerous and flawed. The fact is that the purpose of torture, more often than not is pure and simple repression of all opposition. Moreover, once torture is sanctioned, even against genuine terrorists, the network of torture has a way of becoming a Frankenstein's monster, finding reasons for a continued existence even after its initial tasks have been accomplished.

Last January, for example, Brazilian President Ernesto Geisel dismissed General Eduardo D'Ávila Mela, the commander of the second army in São Paulo and a notorious advocate of torture. That seemed to reduce the mistreatment of prisoners in the city, but there was a flurry of new charges that prisoners in Rio were being tortured. Some civil rights activities believe that the São Paulo torturers simply shifted their operations to Rio. "There is a national network of torturers," says one prisoner and torture victim; "they coordinate their work. It is a system and therefore very powerful."

What, if anything, can be done? "Make torture as unthinkable as slavery," answers David Hawk, the executive director of Amnesty International's New York branch. As Hawk well knows, that laudable goal is not easy to achieve—no easier, certainly, than the abolition of slavery was. Amnesty itself has had some limited success in securing the release of individual prisoners by means of letter-writing campaigns and appeals to conscience directed at government officials.

STILL SENSITIVE

Most countries are at least somewhat sensitive to foreign public opinion, if only because they fear that a bad human rights record could interfere with economic and military aid programs or foreign investments. Secretary Kissinger sensibly argues that U.S. foreign policy cannot be based on personal moral beliefs. Nonetheless, it does seem possible that regimes such as those of South Korea, Chile and Uruguay, which are heavily dependent on American support, could be nudged into loosening some of their grip by threats from Washington to withhold aid.

Little leverage, however, can be brought against such largely self-sufficient and comparatively wealthy states as Iran, Brazil and the Philippines—or for that matter even against such smaller countries as the African dictatorships.

One widespread hope is that torture-prone dictatorships will be overthrown, like the junta in Greece. But generally the odds are against such regimes being replaced by more benign ones, especially in countries where democracy and human rights have feeble roots to begin with. Another hope is that dictatorships will gain enough of a sense of security to cut out at least the routine use of the worst brutalities. Meanwhile, about the only avenues left are publicity and prayer—and, perhaps, keeping alive in memory a statement made by Vladimir Hertzog, a Brazilian journalist found dead a few hours after being detained in São Paulo last October. Said Hertzog: "If we lose our capacity to be outraged when we see others submitted

to atrocities, then we lose our right to call ourselves civilized human beings."

MACABRE WORLD OF WORDS AND RITUAL

Azudi is just like Genghis Khan when he walks he walks on a pile of fresh corpses the Khan did not clean his teeth either the Khan also belched the Khan did not take off his boots either Azudi has shattered the mouths of twenty poets today*

In these savage lines Iranian Poet-Critic Reza Baraheni describes one of the men who tortured him in Iran's notorious Committee Prison, where Baraheni was held without charge for 102 days in 1973. Baraheni, who now lives in exile in New York City, recognized in torturers like Azudi the "typical thick-necked Iranian Jabel [ignoramus], fat and tall and dirty and, at the same time, shrewd, irrevocable, irresistibly virile and strong." Azudi insisted that prisoners address him with the honorific title "doctor," as do equally brutal thugs who run torture centers in Brazil and did so formerly in Greece. The title, apparently, confers on the torturer a kind of legitimacy vis-a-vis his victim.

The interrogator's need to be respected by his victims is one notable feature of a vague, inchoate subculture that exists in every country where torture is an established practice. This shadowy netherworld is marked most obviously by a mocking language of euphemisms and code words. Some former prisoners report, for example, that at the notorious São Paulo torture center of the Brazilian political police, a torture session has been called a "spiritual seance," as if it involved a cleansing of impurities. Victims in Chile say that DINA interrogators refer to Santiago's infamous Villa Grimaldi as the Palacio de la Risa—the Palace of Laughter. In Iran, Ottagh-e Tamshiyat, or "the room in which you make people walk," is a name for the blood-stained chamber where prisoners are forced to walk after torture to help their blood circulate.

Torturers generally refer to themselves by nicknames, in part because they do not want their victims to know their real identities. Often the nicknames derive from a physical feature, such as "the Tall One," or "the Mustachioed One." In South America, such aliases as El Aleman (the German), Cara de Culebra (Snake Face) and El Carnicero (the Butcher) are common. One particularly brutal torturer at Chile's Tejas Verdes camp near San Antonio used to tell prisoners his name was Pata en la Raja, meaning Kick in the Ass.

The torturer's lexicon also includes mordant, mocking names for their techniques and instruments. The Wet Submarine, for example, means near-suffocation of a prisoner by immersing him in water, or, frequently, urine: the Dry Submarine is the same thing, except that a plastic bag is tied over the victim's head to deprive him of oxygen. In the Grill, the victim is stretched out face up on a metal frame while a "massage" of shocks is delivered to various parts of the body.

A Brazilian invention called the Parrot's Perch is used in many countries; it consists of a horizontal stick from which the prisoner is hung by the knees, with hands and ankles tied together. Another common technique, called the Telephone, consists of delivering sharp blows to both ears simultaneously, which often causes excruciatingly painful rupture of the ear drums. In the Hook, the victim is hoisted off the ground by his hands, which are tied behind his back in such a way that the stretching of the nerves often

causes paralysis of the arms. Says one Uruguayan torture victim: "People on the Hook cannot take a deep breath or hardly any breath. They just moan; it's a dreadful, almost inhuman noise."

The torture subculture has its own rules and rituals, which sometimes parody the daily routine of infinitely less brutal professions. "It was just sort of a job to them," says former Methodist Missionary Fred Morris, who was tortured for 17 days in Recife, Brazil, in 1974. "These people had 9-to-5 jobs, except that their business was to torture for a living." There are often specific times of the night or day when victims are picked up by their torturer-interrogators. The prisoner is usually hooded or blindfolded. Sessions often begin quietly; physical torture starts only after the interrogator has built himself up to a feigned or genuine anger, which Andrew Blane of Amnesty International calls "an emotional state of furious self-righteousness." Some Chilean prisoners have reported torturers calling a prisoner to an interrogation session with the phrase "It's time to go to work." In Iran, where, as in many other countries, women are routinely raped during torture sessions, Reza Baraheni once watched a 13-year-old female prisoner calmly introduce her interrogator to her visiting family as "my rapist."

The prevalence of rape (of both men and women) as a torture technique indicates that the ranks of torturers contain many sexual psychotics as well as sadists. At the same time, some victims testify that their torturer were visibly strained by the routine and took pills to soothe their nerves; Fred Morris says that one of his torturers, a certain Major Mala, used to explain that he was a fellow Christian who went to Mass every day on his way to work.

Why do people willingly torture their fellow human beings? Oxford University Clinical Lecturer in Psychiatry Anthony Storr argues that often the torturer is motivated not by malice or by sadism but by an overpowering will to obey. "Torturers," says Storr, "are hierarchical people in that they accept and seek authority structures. They are people who obey orders without question." Whether leftist or rightist, many torturers link a fervent patriotism with a fanatical self-righteousness. Their victims often describe these torturers as intelligent but unbalanced, full of moral certitude but viciously vindictive toward people who hold beliefs contrary to their own.

Sadly enough, there seems to be no shortage of torturers; dictatorial regimes always manage to find enough people who—convinced of the righteousness of their cause—will maim or murder under orders from an absolute authority. The torture subculture provides these people with a kind of identity. It is also a dramatic and telling proof of what Historian and Social Critic Hannah Arendt called "the banality of evil." The most inhumane cruelty of man to man can become routine if it is surrounded and buffered by an apparatus of normality.

EDITORIAL SUPPORT FOR STUDENT'S FREEDOM OF CHOICE ACT

Mr. FANNIN. Mr. President, the editorial response to S. 3595, the Students' Freedom of Choice Act, has been gratifying.

This bill, which I introduced with Senators BARTLETT, CURTIS, HANSEN, HRUSKA, THURMOND, and TOWER, would guarantee to working students a genuine freedom of choice in labor matters. This legislation would provide them an exemption in the Federal labor laws from

the onerous requirements of joining a union or paying dues or fees to a labor organization in order to hold a job.

As I emphasized in my statement of introduction, the purpose of this legislation is not to destroy unionism but to protect hard-pressed students enrolled in high school, college, and technical or trade schools who need temporary or summer employment in order to pay for their educational expenses. It is simply wrong to require that working students be required to shell out a portion of their hard-earned wages to a union when they are not eligible for and cannot possibly enjoy benefits negotiated by the union for which compulsory dues are supposed to be used. As pointed out by the Huntington, W. Va., Herald-Dispatch—

You don't have to believe in Right to Work legislation to see the unfairness of compelling students, as a condition of their employment, to make mandatory payments to a union with money that they are trying to earn to finance their education.

Little wonder that students, recognizing the injustice of this situation, are, according to reliable public opinion surveys, even more opposed to compulsory unionism than the average citizen.

Mr. President, I bring to the attention of my colleagues several articles from small-town papers around the country endorsing the concept embodied in the Students' Freedom of Choice Act. I ask unanimous consent that the complete texts of editorials in the Ontario-Upland, Calif., Sun, the Bakersfield, Calif., Californian, the Waukesha, Wis., Freeman, the Huntington, W. Va., Herald-Dispatch, and the Marysville, Calif., Appeal-Democrat be printed in the RECORD.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Ontario-Upland (Calif.) Daily Report, July 25, 1976]

FULL-TIME UNION DUES

Sen. Paul J. Fannin (R-Ariz.). "The average student works less than 12 weeks during the summer, and most of them hope to earn enough money during that short period to carry them through the following school year," he said.

However, he says, "under the present system, many of these young men and women are required to pay full initiation fees and dues in lieu of membership in a labor union in order to keep that job. Yet, in most instances, they cannot participate in the so-called benefits, such as health insurance, sick pay and wage increases, which have been negotiated by the union and for which compulsory dues are supposed to be used."

Should a student holding down a part-time or vacation job as, for example, a bagger in a grocery store, be required to give up part of his small pay—in some cases as much as 40 per cent—in union dues? In most states he is, but he no longer will be if a bill just introduced in Congress is passed.

Sponsored by seven senators, the legislation would amend the National Labor Relations Act and the Railway Labor Act to exempt all full-time students enrolled in a high school, college or technical or trade school from the requirements of compulsory unionism.

"Students are not especially wealthy individuals," points out the bill's principal sponsor.

* From God's Shadow Prison Poems, © 1976 by Indiana University Press, reprinted by permission of the publisher.

[From the Bakersfield (Calif.) Californian,
July 4, 1976]

STUDENTS OUGHT TO BE EXEMPT

Equity demands that Congress approve S. 3595, a bill granting students immunity from closed shop provisions of the National Labor Relations Act if they desire to avoid union membership.

The NLRA works a very real hardship on students whose work is generally parttime. They need every penny they earn to support their education. Union dues may take up to 40 per cent of a student's salary.

In some instances, they choose voluntarily to join a union. But not always, particularly when the job is but one or two days a week. These workers ought to be exempted from the union shop.

Consider the case of the Missouri high school student who was assessed \$7 a month dues to work one day per week in a grocery store. One month he was two days late paying his dues and was assessed a \$1 fine. Union bylaws required attendance at membership meetings under penalty of an additional \$5 assessment.

We note that the Service Employees International Union will represent permanent workers in Yosemite National Park. There is the possibility that summer employees, mostly college students, also may be forced to surrender portions of their paychecks to the AFL-CIO union.

According to the National Right to Work Committee, the average student works less than 12 weeks during the summer. Because of reduced hours of employment, many are not eligible to participate in benefits—health insurance, sick pay and wage increases—negotiated by the union for which compulsory dues are supposed to be used.

Little wonder, then that 82 per cent of the voting age population under 29 years of age polled in a recent Opinion Research Corporation survey opposed mandatory unionization in the private sector. Perhaps some or all of those queried had held a student job and understands, firsthand, the injustice of the NLRA. Sen. Paul J. Fannin, R-Ariz., no doubt has their support in behalf of S. 3595.

[From the Waukesha (Wisc.) Freeman,
June 28, 1976]

UNION WINDFALL FROM STUDENT LABOR

Seven U.S. Senators, six of them from Right to Work states, have introduced legislation that would amend the National Labor Relations and Railway Labor acts to exempt students from the requirements of compulsory unionism. There are two formidable arguments for the bill in which this newspaper concurs: (1) the right of individuals to decide for themselves whether or not to join unions; (2) the unfairness of compelling working students as a condition of keeping their temporary jobs, to make mandatory dues payments to a union with money they need for their education.

Under current laws, a single union may be selected to act as the sole bargaining agent for the entire work force of a company or industry. Ordinarily, workers within 30 days of employment, join the union or pay equivalent dues or fees in lieu of membership. Coming from students, this money represents a windfall for organized labor and the practice can't be justified on the usual grounds. Unlike other employees, these students are part-time who can work no longer than 12 weeks during the summer, depending on their good fortune in obtaining work early.

There is no thought on the part of these young men and women, or on the union, that they can participate in any of the benefits for which the money is paid—health insurance, sick pay and wage increases. The irony here is that the unions are taking money away from the people who don't intend to make

such part-time employment their life's work, yet they are made to help pay for services from which they can expect no benefits.

Those who are sponsoring the bill point out that in some cases these compulsory dues add up to a third and even 40 per cent of a student's salary.

The case is cited of Brady Rapp, a Missouri High student, who was obliged to pay \$7 a month to officials of the retail clerks union in order to work one day a week in a grocery store. Said Rapp, "One month I was late twice and they made me pay a \$1 penalty each time. I was also told to attend union meetings or pay a \$5 fine."

Sen. Paul Fannin (R-Ariz.) one of the sponsors, points to a study of the Opinion Research Corp., Princeton, N.J., which shows that 73 per cent of the voting age population under 29 years opposes forced unionization of public employees and 82 per cent reject forced unionization of industrial workers in the private sector. The figures are slightly higher than comparable figures among older workers.

The bill has been referred to the Senate Committee for Labor and Public Welfare. It should be reported favorably to the entire Senate and deserves early adoption.

[From the Huntington (W. Va.) Herald-Dispatch, July 6, 1976]

FORCED UNIONISM REQUIREMENTS SHOULD NOT INCLUDE STUDENTS

A new bill introduced in Congress would exempt students from the requirements of compulsory unionism.

Under the National Labor Relations Act, all workers at a factory or other business with a "union shop" contract must, within 30 days of their hiring, either join the union or pay equivalent dues or fees in lieu of formal membership.

Those who oppose the very idea of a "union shop" obviously will welcome the idea of exempting students from such strictures. But you don't have to believe in Right to Work legislation to see the unfairness of compelling students, as a condition of their employment, to make mandatory payments to a union with money that they're trying to earn to finance their education.

Most students work only a few weeks during the summer, seeking money to see them through the coming school year. Under the current law, if their employer has a "union shop" contract, they are required to pay full initiation fees and dues to the union in order to keep their jobs. Yet, at the same time, many are barred from receiving the same benefits—health insurance and the like—that regular union members receive.

Backers of the new legislation—introduced by Sen. Paul J. Fannin, R-Ariz., and cosponsored by a half dozen other lawmakers—cite the case of a Missouri high school student who was required to pay \$7 a month to a union in order to work one day per week in a grocery store. Complained the student: "One I was two days late (with my dues) and they made me pay a \$1 penalty. They also said that I must attend their meetings or pay a \$5 fine."

Indeed, if a student can only work one or two days a week—as often is the case—and then ends up having to pay \$7 or \$8 per month to a union that he or she is not even a full-fledged member of, then those payments can add up to a big chunk of his or her meager earnings.

Like other proposed legislation which would exempt high school and college students from the federal minimum wage law (the provisions of which often price students right out of the job market), Fannin's measure could go far in easing the plight of the student who must depend on a part-time job to pay a share of his or her educational expenses.

In today's uncertain economy, students find it hard enough to land part-time jobs, without then requiring them to turn over part of their initial earnings to a union

[From the Marysville (Calif.) Appeal-Democrat, June 30, 1976]

STUDENT RIGHT-TO-WORK

Compulsory union membership as a condition of employment is insupportable in any case, but in some instances it is more of a glaring injustice than in others.

Students, for example, who work part-time in states that have not adopted right-to-work laws may be compelled to pay union initiation fees and union dues.

Legislation now before congress would exempt full-time students in high school, college, or technical or trade school from the union requirement.

Students are among the least able to pay the fees and dues. Some of them depend on income earned during summer months and part-time work during the school year to pay all of their expenses. Others may depend on it for extra-curricular expenses, but in any case their earnings are used to defray all of their expenses or part of them while they are in school.

Sen. Paul J. Fannin of Arizona, one of the seven senators introducing the legislation, pointed out that "The average student works less than 12 weeks during the summer, and most of them hope to earn enough money during that short period to carry them through the following school year. Under the current system, many of these young men and women are required to pay full initiation fees and dues in lieu of membership to a labor union in order to keep that job. Yet, in most instances, they cannot participate in the so-called benefits, such as health insurance, sick pay and wage increases, which have been negotiated by the union and for which compulsory dues are supposed to be used."

"The irony here," said Reed Larson, president of the National Right to Work Committee, "is that the unions are taking money away from the people who need it the most."

Students themselves, according to a study by the Opinion Research Corporation, are even more opposed to compulsory unionism than the public in general. The study showed that 73 percent of the voting age population under 29 years of age opposed forced unionization of public employees and 82 percent opposed forced unionization of industrial workers in the private sector.

The legislation would alleviate the injustice of compulsory unionism in relation to students. Even the unions should be able to comprehend the rightness of the bill.

JOINT ECONOMIC COMMITTEE HEARINGS ON CAPITAL FORMATION NEEDS

Mr. HUMPHREY. Mr. President, I wish to share with Members of Congress and the public some of the main points made in testimony before the Joint Economic Committee at a hearing on June 9 on U.S. capital formation needs. The witnesses included representatives of some of our most capital-intensive industrial sectors plus the banking industry and independent economic observers. The following persons testified:

Frederick G. Jacks, chairman of the board, Inland Steel Corp., Chicago.

James J. O'Connor, executive vice president, Commonwealth Edison Corp. of Chicago.

Leif Olsen, senior vice president and chief economist, Citibank, New York.

Robert Eisner, professor of economics, Northwestern University, Evanston, Ill.

Peter L. Bernstein, Peter L. Bernstein, Inc., New York.

Norman B. Ture, Norman B. Ture, Inc., Washington, D.C.

CAUSES OF THE 1974 ECONOMIC MALAISE

The testimony of Mr. Olsen and Mr. Bernstein was very interesting for its historical perspective and its analytical approach to the present and future situation regarding capacity and investment needs. Their statements tended to concur on many important points. Their main points are of great interest for the current debate on capital needs, and I would like to quote from them at some length. For instance, Mr. Olsen elucidated the causes of the 1973-74 inflation in the following terms:

The most common explanation tends to emphasize the role of inadequate capacity growth in recent years. This conclusion is not without some substance if you look at increases in manufacturing capacity that grew only 2% a year between 1969 and 1973 in contrast to an average of 5% between 1954 and 1969...

Over a long period of time we observe that capital investment tends to move in cycles covering spans as long as seven or eight years. Investment tends to rise overall in response to improved rates of return and decline with diminishing rates of return. What is more, the presence of excess or unutilized capacity tends to produce relatively poor rates of return on capital investment. As a result of unusually rapid growth in investment—and in capacity—during the 1965-69 Vietnam war period, capacity utilization in manufacturing was somewhat low in the early 1970s. Thus, rates of return were not particularly conducive to continued strong investment growth...

There exists another line of reasoning that offers as far better explanation of the traumatic events of 1973 and 1974. We begin with the imposition of price controls and devaluation of the dollar in the summer of 1971...

Nineteen seventy one was a recovery year from the recession of 1969-70. The imposition of price controls in the summer of 1971 caught many basic materials industries with cyclically low prices. This is not true of finished goods prices, however. As a result, under the controls period, basic materials prices were low relative to finished goods prices. This tended to increase the demand for basic materials...

During the final period or price controls late in 1973 and early 1974, you may recall that controls were eased gradually. This led to widespread expectations of price increases once decontrol occurred and encouraged inventory hedging against those price increases...

Another event occurred in this country as well as internationally that helps to explain the extraordinary explosion of spending throughout the world. In 1971 and 1972, the rate of growth of the money stock for the United States accelerated sharply following the recession of 1969-70. This alone would have contributed to U.S. final demand and GNP growth. But in 1971 and 1972 the fixed exchange rate system was in its terminal phase. In an effort to continue to maintain fixed exchange rates, foreign central banks paid out large amounts of their own currencies in a futile effort to support the dollar exchange rates and this—in conjunction with other forces—accelerated the growth of the world's money stock to a rate of growth nearly double that of our long-run historic experience. The surge in new money

creation and, consequently, income led to a worldwide buying spree that encompassed the spectrum from beef to automobiles, and the demand pressures in final products were then manifested back through stages of processing to the basic materials. This boom touched off a wave of speculative inventory buying that added more high powered fuel for price inflation.

The devaluation of the dollar, coupled with price controls and an expansionary monetary policy, pushed U.S. prices down below those of the rest of the world, and that added substantially to the demands for U.S. products and basic raw materials.

The evidence strongly supports a conclusion that the events of 1973 and 1974 were not the product of insufficient capacity but rather the extraordinary demand heightened by price controls and the anticipated end of those controls—industry-by-industry—that encouraged extraordinary inventory accumulation...

Concern over capital adequacy typically springs forth during periods of historically high interest rates because inflation stimulates strong bidding for available funds necessarily squeezing out a large number of potential borrowers. Capital is perceived to be in short supply and the condition is extrapolated into the indefinite future. When inflation accelerates rapidly, departing from its expected trends, borrowers with short-term need such as those who roll over inventories bid aggressively. They can afford to pay rates of interests equal to the expected short-run rate of inflation plus a real rate of about 2½%.

Long-term borrowers on the other hand, expecting inflation to be higher over the long-term life of their investment than they did at an earlier date, do not expect that it will be as high as in the year in which it accelerates. Consequently, these borrowers step back from the credit market as they are outbid by short-term borrowers. Among those who are outbid are housing, corporate issuers of long-term bonds and states and municipalities.

Mr. Bernstein regarded the decline in profitability and investment in the early 1970's to be largely a cyclical consequence of the high profitability and feverish investment of the late 1960's. He stated that he comes down squarely on the side of the optimists who believe that the economy's capacity to adjust automatically, left to itself, is going a long way toward solving these problems. The following except from Mr. Bernstein's testimony is especially interesting:

While no one would argue with the unfavorable impact of the stagflation of recent years on corporate performance... these difficulties appear to be a natural result of unsustainably high rates of profitability during the mid-1960s in a generally euphoric environment during which capital costs were low and risk premiums virtually nonexistent. This set of conditions led to an equally unsustainably rapid growth in fixed capital—much of it in the wrong place. This was a massive waste of precious resources on assets that turned out to be essentially non-productive... no wonder that profitability subsequently slumped, as the most profitable opportunities were exhausted and as growing disregard for risk led businessmen into unwise and ultimately unproductive investments... (author's italics).

The carcasses of that euphoric period are still around us, although many of them have at great cost been written off the corporate balance sheets... Massive overexpansion in commercial real estate and retailing is only the most apparent and painful heritage of that period. We can also point to the ill-fated

ventures of RCA and Xerox into the highly capital-intensive field of computers, the entire conglomerate madness, the movement of chemical companies into the oil business (an extremely expensive move that was bailed out only by the totally unpredictable decision of the OPEC countries to quadruple the price of oil at a moment when some of the chemical companies either had just, or were attempting to unwind their ventures into oil producing), automobile industry miscalculations about the nature of the market for their product, and so on.

Seen from this vantage point, much of the data on investment activity in the late 1960s is spurious: it should be included in current consumption rather than formation of capital. As a consequence, I believe it is fair to assume that a much higher proportion of capital spending will be productive in the current environment, when risk premiums are high, rates of return are still depressed, long-term interest rates are flirting with 9 percent, and price-earnings ratios for common stocks average only about 10. In other words, the odds are that one percent of GNP going to nonresidential fixed investment today is likely to be significantly more productive in the future than one percent of GNP was in 1968 or 1969 (author's italics).

This possibility takes a good deal of the edge off the argument that pollution abatement expenditures dilute the significance of current levels of capital expenditures. Commerce Department estimates suggest that business capital outlays for pollution abatement now amount to about 4 percent of total expenditures for plant and equipment... the magnitude of unproductive investment undertaken during the second half of the 1960s would seem to have been at least as great as 4 percent of the total, and probably higher than that.

Corporate management has done an outstanding job in rectifying the errors and overexuberance of the late 1960s. The quality of both the investment expenditures and the profits now being achieved is markedly higher than it has been, with every indication that these favorable trends still have a long way to go.

CAPACITY ADEQUACY IN THE BASIC INDUSTRIES

Mr. Jaicks of Inland Steel told the committee that capacity utilization in the steel industry has risen from 67 percent at last summer's low point to 91.4 percent in the latest period. Since then, however, it has fallen below 90 percent again. Mr. Jaicks forecast total steel shipments of 98 million tons for 1976, up 22 percent from the recession year 1975. He foresees shipments next year of 108 million tons, which is just short of the alltime record of 111.4 million tons set in 1973. This is based, however, on an expectation of a substantial rise in business investment and other construction spending, which has yet to begin. Mr. Jaicks concludes that the outlook indicates tight supply conditions for flat rolled products later this year and a general tightness over the whole range of steel products in 1977.

Turning to capital requirements in the industry, Mr. Jaicks reiterated the industry's position that—

All in all, it appears that the consensus forecast of a 2½ percent annual growth in domestic demand for steel is still valid. Studies done at the American Iron and Steel Institute and confirmed by (Harvard) Professor Marshall's review, indicate that under this conservative steel demand projection the steel industry will have to install sufficient capacity to provide an additional 30 million tons of raw steel capacity by 1983. Using this

estimate, we can confront our subject of capital adequacy in the steel industry head-on. To meet all of its requirements, the steel industry will have to spend, each year, between now and 1983, a minimum of \$5.0 billion, applied as follows:

About \$1.5 billion annually to install additional capacity that our nation will need. This assumes a growth in steel consumption averaging 2½ percent per year.

About \$2.0 billion per year to maintain existing capacity.

About \$1.0 billion annually to meet pollution control requirements.

And, about \$0.5 billion per year for non-steel activities.

... The steel industry's record cash flow (that is, reinvested profits plus depreciation) was achieved in 1974—\$3.4 billion. If steel companies were to continue to generate cash flow at this record level (and during 1975, with net cash flow of \$2.5 billion, we fell far short of it), and if we were to continue to add new long-term debt of about \$600 million per year (and thus maintain present debt-equity ratios), steel companies would nevertheless have only about \$4.0 billion available annually toward their \$5.0 billion needs—a billion dollars short of our average needs every year. . . .

Some additional capital quite likely could be obtained through the sale of new shares.

Inland was successful in raising equity funds recently, but I share Professor Marshall's view that equity financing will play a rather small role in steel industry expansion over the near-term.

I would note, however, that the estimated need for 30 million tons of new capacity has not been revised since 1974. I have therefore asked the staff of the Joint Economic Committee to reevaluate the future demand for steel and for other raw materials in light of the across-the-board size reductions being made in automobiles and failure of the construction sector to regain its 1972-73 activity levels.

Mr. O'Connor of Commonwealth Edison testified that the Edison Electric Institute has projected that electric power consumption will grow by some 5.3 to 5.8 percent annually, given moderate overall economic growth. This rate is somewhat lower than that of the 1960's. Mr. O'Connor told the committee furthermore that, in 1964, the electric utilities provided 64 percent of their investment funds from internal sources but only half this proportion in 1974. Of course, the rapid inflation of fuel prices and other costs, together with regulatory lag in revising electric rates, squeezed utilities profits severely in the latter year. This squeeze is now being relieved, and the utilities now are on somewhat firmer financial ground.

Mr. O'Connor stated that 181,000 megawatts of generating capacity were delayed or removed from the construction schedule during the economic slump and financial crisis of 1974-75. Some two-thirds of these were nuclear units due to be completed in 1980 or after. While the 2-year setback in electric power consumption growth and the reduction in projected future growth rates will obviate the need for some of this capacity, Mr. O'Connor warned that there may be shortages of power unless many of the deferred projects are restored.

Mr. Bernstein, on the other hand, has done analysis of recent industrial in-

vestment and capacity utilization that suggests that the basic industries in general, have rectified the capacity shortages that existed in 1973 relative to fabricating and finished goods sectors. He testified that:

My measurement calculates nonfarm business gross domestic product in dollars of 1972 purchasing power as a percentage of gross corporate stocks of structures and equipment . . . It is in other words an output/capital ratio . . .

While . . . capacity strains in the basic materials or advanced processing sectors were much greater in 1973 than in the finished goods sectors, more recent data indicate that these imbalances have been substantially eliminated and should cause no serious problems in the foreseeable future . . .

Since 1973 . . . capacity growth has been significantly greater in the basic materials area. From the end of 1973 to the first quarter of 1976, the annual rate of growth in the basic materials sector has been 4.6 percent; for total manufacturing, it has been only 2.5 percent. As a result of this disparity in growth rates since 1973, growth rates measured from 1966 to early 1976 have been substantially even: 4.2 percent for basic materials and 4.6 percent for total manufacturing.

Indeed, 1973 output of basic materials would utilize only 83 percent of current capacity—or ten percentage points less than it used in fact during 1973 . . .

From the end of 1965 to the end of 1972, capacity utilization rates in the primary-processed goods area averaged two to three percentage points higher than in the advanced-processed goods area. The two rates were the same in late 1968, late 1971, and early 1972, but the "upstream" sector's utilization rate never fell below the "downstream" sectors' utilization rate during this period.

By the end of 1974, however, the gap had narrowed to only two percentage points; by the second quarter of 1975, the primary-processed sector was operating three percentage points below the finished goods sector, for the first time in the history of this series. (Italics in original).

. . . expenditures for plant and equipment by manufacturers of primary metals, paper, chemicals and petroleum currently account for 23 percent of such outlays by all manufacturing industries, up from only 15 percent in 1972-73.

In absolute dollar terms, plant and equipment expenditures by these four basic materials industries in 1976 will be just about double the 1972-73 average, compared with a rise of less than 40 percent for all manufacturing and less than 30 percent for all business.

FINANCING FUTURE INVESTMENT NEEDS

Mr. Ture presented to the committee his estimates of economywide investment and savings needs through 1985. Assuming that the capital-labor ratio continues to increase at its postwar rate, he calculated that business will need \$443 billion—in 1975 dollars—for capital expansion. If replacement investment continues at its postwar rate, another \$1,800 billion will be needed to maintain and replace existing capital. To these amounts Mr. Ture added a conservatively estimated \$350 billion to meet Government-mandated environmental and OSHA requirements. These items, together with projected inventory accumulations total \$2.77 trillion in business investment for the decade.

To cover these outlays, plus housing requirements and a Government deficit

assumed to average \$10 billion per year, Mr. Ture calculated that gross private saving would have to total \$3.82 trillion through 1985. Such an amount would require an increase in private savings rates, according to his calculus, from the 15.5 percent postwar average to 19.3 percent for the coming decade.

To increase savings, Mr. Ture called for reversal of what he termed "the tax bias against savings." In fact, he urged the elimination of taxes on savings by converting the entire income tax system to an expenditure tax levied on individuals only. Short of this, he proposes a savings tax credit for individuals with a limit of, say, \$1,000 per taxpayer and a series of other measures benefiting savers and investors. In this appeal he was joined by Mr. Jaicks and Mr. O'Connor, who argued for lower taxes on corporate profits, especially for quicker capital recoupment provisions through a higher investment tax credit and higher depreciation allowances.

I think that there is general agreement that savings and investment rates will have to go up from the levels of the past decade if full employment is to be reached and living standards are to resume a satisfactory rate of growth. This is largely because of the rapid current labor force growth. Some new savings incentives, particularly those benefiting the millions of modest individual savers, would seem to warrant sympathetic examination.

I would point out, however, that the private savings rate was at 17.6 percent in 1975 and remains high. The personal savings rate has risen steadily over the past 15 years and may rise more, and the corporate savings rate is now rising rapidly from its recent depressed levels as a result of today's swelling business profits. In the meantime, investment continues to lag. We seem to be caught in the paradox in which people increase saving by restraining their consumption, but investment remains sluggish because business lacks confidence that consumption will rise in the future sufficiently to utilize expanded capacity. This current paradox has relevance for judging proposals for new savings incentives. In the words of Mr. Bernstein's testimony at the hearing—

Both theoretical and empirical considerations suggest that radical steps to increase our propensity to save may be counterproductive, in that they may result in less rather than more capital formation . . . On the one hand, capital formation is possible only if consumers and government do release resources. On the other hand, the businessman must expect to sell profitably the increased output that his capital formation will provide; he can justify taking the risks of that capital formation only if he believes that consumers and government are willing to buy more, not less. Thus saving is a necessary condition for capital formation, but it is not a sufficient condition. Growing markets for final demand are also a necessary condition for capital formation in a free enterprise, profit-oriented economy.

In other words, increasing savings in an underemployed economy just depresses the economy more. New measures to boost savings are warranted only to-

gether with forceful measures to restore full employment.

Professor Eisner made this point more graphically. He stated, "the greatest depressant of business investment is the lack of full employment." He pointed out that a 6.6-percent decline in real output during the last recession coincided with a 32-percent decline in real investment spending and concluded that "the one healthy economic way to stimulate investment is to bring about prosperity and a full employment economy."

Professor Eisner disputed the claim that the tax system discourages saving and investment:

That is very far from clear . . . one big place . . . where the tax structure is heavily biased in favor of business investment is in the matter of capital gains. The fact is that most people save and most people invest not anticipating their dividend return. People put their money in the stock market; people buy land; people go into a corporation because they expect the value of that thing to go up. And that gain we don't tax. In fact, we don't tax it one penny unless the gains are "realized," and even when they are realized we tax only a portion, usually, of the total gain.

You have the astonishing loophole for capital gains at death . . . Further, a major amount of business investment is financed by borrowing, borrowing and paying interest and, of course, the interest costs are deductible.

So what it comes down to is that there is really no clear bias against saving or against business investment. There is a considerable discouragement of other kinds of investment, investment in human capital in particular.

We keep talking about taxes discouraging business investment. Yet we have taxes on working people which begin from the very first moment they get a job—the payroll taxes which keep going up . . . So you have a situation where employers are discouraged by the amount of this tax from hiring employees and giving them the training that would prevent them from being unemployed . . .

Finally, Professor Eisner disputed the efficacy of the investment tax credit because, he said, it biases the economy in favor of business expenditures specifically for equipment in preference to other productive inputs. He asked rhetorically:

How has Congress been able to decide that business can produce more efficiently with more equipment? How do you know they couldn't produce more efficiently with more buildings? How do you know they couldn't produce more efficiently with more research and development or by hiring better workers? Why this subsidy for equipment? I've been joking with my good friend, Norman Ture, asking him why not a credit for hiring economists from consulting firms? Why should Congress not decide that that's the better way to increase productivity?

These hearings provided an excellent debate on the main issues of the capital needs problem. The witnesses, of course, did not always agree. Indeed they were intended to represent different points of view on this subject. In closing, let me repeat that I think there is wide accord on the proposition that investment and saving rates should exceed their levels of the past decade and that they are very likely to do so in the natural course of things if the economy continues to re-

cover and grow. There also is basic agreement among reasonable people that a return to full employment is a prerequisite of any vigorous investment boom. The issue to be debated is how, when and to what extent fiscal policy should be tailored in an attempt to boost the total savings and investment levels that will be attained at full employment.

A PROPOSAL TO END INTERNATIONAL TERRORISM

Mr. PERCY. Mr. President, my constituent Luis Kutner, the distinguished lawyer, a few years ago developed an original proposal to meet the threat of international terrorism. He called it constructive notice.

Now, at a time when the danger of international terrorism remains a major concern of the world community, I would like to bring Mr. Kutner's proposal to the attention of my colleagues for their information and consideration.

I ask unanimous consent that excerpts from Luis Kutner's article "Constructive Notice: A Proposal To End International Terrorism," New York Law Forum, fall 1973, be printed in the RECORD.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

EXCERPTS

International terrorism, which has taken root as part of the violence of the twentieth century, threatens the very fabric of civilization, the basic institutions of law, and respect for human life. Conceivably, a contemporary act of terrorism any place in the world could well provoke a rapid series of events resulting in thermonuclear horror.

Modern terrorists "operate with a destructive power often superior to that of the establishment in a 'standardized' society, and on any targets of their own selection." Though piracy and outlawry have long existed outside the law, terrorists claim full recognition as an acceptable political mode under international law. While banditry operates with a profit motive employing terror when necessary, terrorism *per se* emerges as a violent alternative to legitimate political, economic, and military power.

The recruits for international terrorism can be readily found. The tradition has long roots. The weaponry for international terrorism can be made on the kitchen table, as demonstrated by the republished *Anarchist Cookbook* by W. Powell. The original recipes, which were formulated in detail by Johann Most over seventy years ago, are still applicable today. The only addition to Most's work are chapters on the use of electronic equipment and drugs.

Up to now individual governments have taken two approaches in dealing with terrorism. Most nations readily surrender to the demands of terrorists. Others refuse to do so, frequently invoking reprisals or undercover operations against terrorist groups. Neither approach has provided a satisfactory solution. Acquiescence to terrorists' demands for ransom payment, or the release of prisoners has set a precedent whereby a terrorist knows that if captured and detained, the execution of a subsequent terrorist act may well secure his release. Accordingly, persons who have committed or conspired to commit murder, after a short period of detention, may be permitted to go free. While the reprisal approach directed against a state harboring terrorists has had some success in curtailing terrorism, it has also bred counter-reprisals

adding to the state of international tension and disorder.

ASPECTS OF INTERNATIONAL LAW RELATIVE TO INTERNATIONAL TERRORISM

The United Nations General Assembly Resolution on The Declaration on Principles of International Law Concerning Friendly Relations and Cooperation Among States in Accordance with the Charter of the United Nations asserts, *inter alia*, that "no State shall organize, assist, foment, finance, incite or tolerate subversive, terrorist, or armed activities directed towards the violent overthrow of the regime of another State, or interfere in civil strife in another State." This may be regarded as the assertion of an international norm of behavior.

Status of terrorist groups

Although the Geneva Convention of 1949 concerning prisoners of war does not encompass international terrorism, Article 4 provides that guerrilla forces are to be afforded protection. Irregular armed forces are recognized as lawful combatants if they comply with the following conditions: (1) they must be commanded by a person responsible for his subordinates; (2) they must wear a fixed distinctive sign recognizable at a distance; (3) they must carry arms openly; and (4) they must conduct their operations in accordance with the laws of war. The terrorists clearly do not meet these qualifications.

According to the United States Army, the Geneva Conventions of 1949 require that guerrillas must be instructed in the laws and customs of warfare, and must be warned by their superiors against the use of "treachery, denial of quarters, maltreatment of prisoners of war, wounded, and dead, improper conduct towards flags of truce, pillage, and unnecessary violence and destruction." Killing and wounding by treachery include acts of assassination. The use of poison and poisoned weapons is prohibited, as are all arms, projectiles, or material calculated to cause unnecessary suffering. Under no circumstances may prisoners be killed for the sake of mere disposal. Reprisals may be recognized only within narrow limits. Regardless of belligerent status, participants in unconventional internal warfare must comply with minimum standards of humanity. Noncombatants, prisoners, wounded and sick, regardless of race, color, creed, sex, or social standing, must be treated humanely. Their murder, mutilation, cruel treatment, and torture are forbidden. The taking of hostages, outrages on personal dignity, and sentences and executions without previous judgment by regularly constituted courts according to universally recognized judicial guarantees are also forbidden. Both the government and the insurgents are under a legal obligation to apply these standards.

Terrorists have refused to adhere to these principles in committing acts of international terror. But they do press for recognition as insurgents. The granting of recognition in many instances, depends upon political considerations. In some instances, such recognition has been granted in the most doubtful cases. In one instance, the Santa Maria case, a hijacker seized a Portuguese ship. He claimed that he was supporting a rival to Portugal's leadership, and that the seizure was the beginning of a revolution. The captain was put under arrest, and the crew was terrorized, although the passengers were well treated. The hijacker, claiming to be an insurgent, searched for a port that would grant him asylum. Status as an insurgent is not accorded any citizen merely for the belief that his country's government should be overthrown. Rather, there must be an actual state of insurgency. The Santa Maria was unarmed and incapable of military action. While international law offers no valid precedent for the use of armed force in prosecuting a non-military objective, the Brazilian authorities

granted asylum, apparently motivated by internal considerations.

The tendency is to grant protective rights and stretch the application of international law principles where there is sympathy for the cause, such as resistance against a dictatorial regime. However, no matter how justified the cause, it may be sullied by the application of barbarous means.

Whether there exists a duty on the part of world nations to prosecute or extradite terrorists for proper disposition, depends on the general acceptance by the world community of the various conventions and agreements setting forth those duties and responsibilities. Such a uniformly accepted covenant is the International Covenant on Civil and Political Rights of December 16, 1966, which recognizes and incorporates the principles of the United Nations Charter and further proclaims the inherent dignity and equal and inalienable rights of all members of the human family. In pursuance of the recognition of the obligation of states under the United Nations Charter to respect and observe human rights and freedoms, the state signatories to the Covenant agree that:

"1. Each State Party to the present Covenant undertakes to respect and insure to all individuals within its territory and subject to its jurisdiction the rights recognized in the present Covenant: . . .

"2. [E]ach State Party to the present Covenant undertakes to take the necessary steps, in accordance with its constitutional processes and with the provisions of the present Covenant, to adopt such legislative or other measures as may be necessary to give effect to the rights recognized in the present Covenant."

The duty of a state to protect, respect and further the inalienable rights of human beings is generally accepted. In addition, there have been specific attempts by the international community, in furtherance of this duty, to deal with aircraft hijacking and other associated forms of terrorism.

International attempts to control hijacking

Perhaps the first such attempt was expressed in the Tokyo Convention of September 14, 1963. While the Convention was not aimed specifically at aircraft hijacking *per se*, Article 11 does not give a general definition of jurisdiction over crime in the air under which hijacking was subsumed, to wit:

"2. When a person onboard has unlawfully committed by force or threat thereof an act of interference, seizure, or other wrongful exercise of control of an aircraft flight or where such an act is about to be committed, Contracting States shall take all appropriate measures to restore control of the aircraft to its lawful commander or to preserve his control of the aircraft."

While the Tokyo Convention is a major step forward in the prevention of aircraft hijacking, it has several critical shortcomings. There is nothing in the agreement that creates an obligation to extradite a hijacker. Further, Article 2 states, *inter alia*:

"[N]o provision of this Convention shall be interpreted as authorizing or requiring any action in respect to offences against penal laws of a political nature . . ."

Without the duty to extradite in the face of the ever-present possibility of political asylum, the Convention lacks the fortitude in the case of its own national, or to preserve the right of an individual to seek asylum in certain circumstances.

More recently the ICAO has called for universal jurisdiction to try the international crime of aircraft hijacking. This indicates a desire on the part of the international air transport community to view this crime as *hostis humani*. Such realization underscores the serious nature of aircraft hijacking and provides a method of dealing with asylum concepts in light of the fact that the United

Nations Declaration on Territorial Asylum provides:

"(2) The right to seek and enjoy asylum may not be invoked by any person with respect to whom there are serious reasons for considering that he has committed . . . a crime against humanity, as defined in the international instruments drawn up to make provision in respect of such crimes."

Like the ICAO, the United Nations has also come to recognize that the political offense doctrine (precluding extradition) must be limited if terrorism is to be effectively combated. This enlightened recognition was set forth in a resolution of the General Assembly stating:

"Mindful that such acts may endanger the life and health of passengers and crew in disregard of commonly accepted humanitarian considerations,

"Aware that international civil aviation can only function properly in conditions guaranteeing the safety of its operations and the due exercise of the freedom of air travel. . . . 2. Urges States in particular to insure that persons on board who perpetrate such acts are prosecuted."

Article 1 of the 1970 Hague Convention for the Suppression of Unlawful Seizure of Aircraft provides that:

"Any person who on board an aircraft in flight:

"(a) unlawfully, by force or threat thereof, or by any other form of intimidation, seizes, or exercises control of, that aircraft, or attempts to perform any such act, or

"(b) is an accomplice of a person who performs or attempts to perform any such act commits an offence (herein referred to as 'the offence')."

Article 4 obliges that:

"1. Each Contracting State shall take such measures as may be necessary to establish its jurisdiction over the offence and any other act of violence against passengers or crew committed by the alleged offender in connection with the offence, in the following cases:

"(a) when the offence is committed on board an aircraft registered in that State;

"(b) when the aircraft on board which the offence is committed lands in its territory with the alleged offender still on board;

"(c) when the offence is committed on board an aircraft leased without crew to a lessee who has his principal place of business or, if the lessee has no such place of business, his permanent residence, in that State.

"2. Each Contracting State shall likewise take such measures as may be necessary to establish its jurisdiction over the offence in the case where the alleged offender is present in its territory and it does not extradite him pursuant to Article 8 to any of the States mentioned in paragraph 1 of this Article.

"3. This Convention does not exclude any criminal jurisdiction exercised in accordance with national law."

Supplementing the efforts of the United Nations and the ICAO are several recent initiatives by the members of the world community to suppress aircraft hijacking. Among them is the Convention for the Suppression of Unlawful Acts Against the Safety of Civil Aviation, signed at Montreal on September 23, 1971, and the Hague Convention for the Suppression of Unlawful Seizure of Aircraft. But, as with the Tokyo Convention, the majority of nations have refrained from signing these conventions primarily for political reasons.

Manifestly, the various conventions, resolutions and agreements presently before the international community delineate and expostulate the duty of nations to prosecute and extradite terrorists of any kind. Various members of the world community have come to recognize the *jure gentium* nature of terrorist activities and it remains for the rest of the family of nations to accept the legal and political realities of terrorism and

assume their now well defined duty to respond effectively to this latest threat to world peace.

ACCOUNTABILITY OF HEADS OF STATE FOR CRIMES AGAINST HUMANITY

The acceptance of the international community, via the United Nations, of the principles set forth in the London Agreement, indicates individual criminal responsibility exists for the commission of crimes against humanity. Individual liability for crimes *hostis humani*, by its very nature, implies certain inherent and inalienable rights concomitant with human dignity. These rights, reciprocal in nature to liability, have been affirmed by the international community in the Universal Declaration of Human Rights, The International Covenant on Civil and Political Rights, and The European Convention for the Protection of Human Rights and Fundamental Freedoms.

Referring to the prosecution of Nazi officials, the London Agreement states:

"The official position of the defendants, whether as Heads of State or responsible officials in Government Departments, shall not be considered as freeing them from responsibility or mitigating punishment."

The willingness of the international community to hold individuals, particularly heads of state, responsible for their nation's conduct with respect to crimes against humanity, reflects the philosophy that individuals ultimately compose the repository of mankind. Increasingly, international legal thinking is moving away from the archaic Hegelian doctrines which postulated the State as the total integration of the individual and the necessary protector of his freedom and responsibility.

Recognizing this, and to facilitate the right of the individual to enforce those inherent rights which are his by virtue of human dignity, the European Court of Human Rights was created so that individuals might invoke its jurisdiction to redress violations of basic human rights. The European Convention for the Protection of Human Rights and Fundamental Freedoms expressly provides that individuals may submit their grievances to the European Court.

International legal theory once having established the individual as a subject of international law, with the associated rights and duties this connotes, might extend individual liability to reach terrorist activities on the basis of accepted principles of law. One such principle is that of constructive notice. According to this principle, knowledge of a fact is imputed by law to a person because he could have discovered the fact by proper diligence and his situation was such as to cast upon him the duty of inquiring into it. This theory of liability is well established in the Anglo-American common law. The theory is not one of absolute liability since it only requires a reasonable standard of diligence.

An individual as a head of state or chief executive is charged with the responsibility of securing due observance of the law. In international affairs, he represents his nation and is accorded the dignity and respect that nation-states inherently acquire upon attaining statehood. Heads of state, by virtue of the office they hold, should be aware of affairs within their state's territorial domain. It is reasonable to expect that the law should impute to them notice of terrorist activities within their jurisdiction. Having the requisite knowledge, the head of state is therefore duty bound to take appropriate action in accordance with international law to eliminate the activities. The community of nations recognizes that international law, as a higher level of authority, must take precedence over the laws of individual nations. All states and their backers must adhere to the obligations

imposed by world law. Clearly, if heads of state are placed on constructive notice of terrorist activities and fail to take appropriate measures to prosecute or prevent the commission of an international crime they should be treated as principals to such crimes as though they had actually aided and abetted their commission.

World acceptance of the principles set forth in the London Agreement, which specifically hold heads of state criminally liable for international crimes, would serve to furnish the needed precedent. But at present there exists no international body capable of taking criminal jurisdiction over such individuals. What is needed is an International Criminal Court of Justice before which such matters could be adjudicated. International legal scholars, government experts and representatives of nongovernmental organizations, met recently at Wingspread, Racine, Wisconsin to draft a Convention on International Crimes and to propose a Statute for a World Court of Criminal Justice, for consideration by world governments and the United Nations. According to Professor Robert Woetzel, President of the Foundation for the Establishment of an International Criminal Court, the "proposed Convention and Statute would provide governments with an alternative to trying individual offenders in national courts."

RESPONSIBILITY OF STATES

One of the most highly developed branches of international law relates to the responsibility of states for injuries to aliens. Where an alien is injured, the offending state may be held responsible to the claimant state of which the alien is a national. On the traditional basis that only states and not individuals are objects of international law—a concept that is rapidly becoming outdated—the responsibility under international law of the state for injuries to an individual is owed to another state and not to the individual. The legal basis for the responsibility to another state rests upon the legal fiction that a state is injured through the injury to its citizens. But in the hundreds of claims cases adjudicated by international tribunals only lip service is paid to this principle with the inescapable realization that it is the individual who has been injured. The state bears responsibility for paying over the sum of money with the usually unexpressed assumption that the claimant state will pay the recovery over to the proper individual.

ENFORCEMENT AND SANCTIONS

When a nation has failed to take appropriate action to eliminate terrorist activities of which it had constructive notice, it would be fitting for the Security Council of the United Nations to impose sanctions against the offending nation in accordance with established international agreements and principles and those presently under consideration by the international community. While it is highly unlikely that member states would take military action, appropriate economic and diplomatic sanctions pursuant to Chapter VII of the United Nations Charter, would appear manifestly reasonable.

The majority of the world nations have indicated they consider hijacking and other forms of terrorism as threats to world peace and order. Pursuant to Article 39 of the Charter, the Security Council shall determine the existence of any threat to peace and shall decide what methods shall be taken to maintain or restore international peace. Article 41 sets forth those measures that may be employed short of the use of armed force, which include "complete or partial interruption of economic relations and of rail, sea, air, postal, telegraphic, radio, and other means of communication, and the severance of diplomatic relations." Such sanctions directed at the offending governments would appear more feasible than

those employed by nations to suppress terrorist activities. The terrorist groups themselves have become notoriously immune from such sanctions.

Aside from direct action by the Security Council, the Convention on International Civil Aviation (Chicago Convention) provides in Article 93 that the General Assembly of the United Nations can exclude a state from the ICAO, resulting in the withholding of civil aviation benefits from territory and flag lines.

The employment of internationally approved sanctions does not prevent the individual states from responding appropriately to the international crises of terrorism. The United States Senate, for example, has passed a bill which imposes a minimum sentence of 20 years for the crime of hijacking.

Hopefully, concepts of liability will increase the sense of responsibility necessary to deal with this world-wide problem. Responsible nations have indicated through their acceptance of various international agreements and conventions, that terrorism and more specifically, aircraft hijacking present an awesome threat to the safety of air travel and intentionally provokes tenuous political stability between nations. But before administering punishment to the aircraft hijacker, nations would do well to examine the recent medical data on these "criminals", for while some of the most spectacular incidents of hijacking are politically motivated, the majority appear to manifest the increased sense of alienation, impotence and loneliness pervading the entire world community.

Finally, as regards sanctions, attempts at economic boycott of a country that harbors hijackers are dangerous where such actions do not have the support of the entire international community. In the past, unilateral and multilateral actions have failed with respect to Italy, Rhodesia and South Africa as coercive measures to force political change. Therefore, not until all states realize it is in their best interest to take affirmative action against international terrorism, can such efforts hope for more than a modicum of success.

SUMMATION FOR CONSTRUCTIVE NOTICE

International law may properly be invoked as a means for obtaining international cooperation. As an acting legal advisor of the United States Department of State (C. N. Brower) stated:

"[International law] has graduated from being a somewhat esoteric discipline incident to the conduct of international affairs to become an important instrument of national policy in the United States and around the world. This world-wide expansion is abetted by a growing realization within most governments that many of the common problems affecting states can only be solved by international cooperation. In a number of fields we in the State Department have found that the development of international law can be one of the primary weapons used to develop an international climate favorable to the accomplishment of our national aims, and we are happily participating in this considerable expansion of the role of international law."

He cited terrorism as one aspect of this expansion as the State Department sought world cooperation by drafting international conventions.

The concern of international law with terrorism is an important aspect of the emergence of international criminal law. International criminal law may involve accommodation arising out of a commission of a public wrong by a member of one jurisdiction against a member of another jurisdictional unit. Mutual assistance or accommodation arises. Another type of international criminal law exists where nations for the sake of the common good of a greater commu-

nity of interest cede part of their municipal criminal law to a larger jurisdictional unit without surrendering their sovereignty. In a process that has taken place for several hundred years, international criminal jurisdiction has been established over piracy, war crimes, crimes against humanity, genocide, drug traffic, and other international crimes as provided by treaty and convention. The emergence of international standards of human rights has added to the growing body of international conduct norms encompassed as part of international criminal law. Some offenses will require an optimum jurisdictional unit. Such is the case with international terrorism. A world agency will emerge as a co-existing jurisdictional unit.

One problem is that of sanctions. But there is no need to be limited to traditional concepts of sanctions. Education and propaganda are important means for the implementation of norms. These may be accompanied by national compliance reporting, (as has been undertaken regarding compliance with the Universal Declaration of Human Rights), verification or on-the-spot investigation, publication of data and the use of impartial *ad hoc* groups.

Judicial enforcement may also be applied. A model for such enforcement may include an agency which would receive and investigate complaints and would possess machinery for indictment and a tribunal for adjudication.

Accordingly, international terrorism, including hijacking, would be declared a crime under international criminal law. The terrorist who commits an offense would be branded a criminal as would any head of a state who had aided and abetted the terrorist activity or who had failed to indict and punish a terrorist. By the doctrine of state responsibility and the herein presented concept of constructive notice, the head of state would be held responsible for the commission of the act.

Under the proposed system, a state would be required to take measures and cooperate with other states to prevent acts of terrorism, e.g., the protection of aircraft from hijacking, police protection to foreign visitors and others who would be susceptible to terrorist attack, and restriction of the movement and activities of persons and groups reputed to be engaged in terrorist activities. Where a state authority fails to take adequate security precautions where there is reason to anticipate the commission of acts of terrorism, the head of state would be held personally liable for the consequences of his nonfeasance. Where subsequent to an act of terrorism the state authority fails to invoke its criminal proceedings, the head of state and the state would be deemed criminally responsible. Likewise, a head of state would be personally liable and the state would be held responsible where it has accorded sanctuary to a terrorist and failed to either extradite him or undertake criminal proceedings.

Nations of the Asian-African bloc, in all proposals regarding the combatting of terrorism, have urged that an exception be made as to resistance groups fighting colonialism. Arab representatives, notably Saudi Arabia, have proposed exempting Palestinians. In the western countries there may be a tendency to exclude persons who resist dictatorial regimes.

Such attitudes ignore the basic issue. International terrorism cannot be condoned, regardless of motivation. Under no circumstances may the lives of passengers on a civilian aircraft be threatened, nor may the lives of civilians anywhere be endangered. The laws of a third state, or state not directly involved in a conflict whether internal or international may not be flaunted. Terrorism cannot be regarded as a legitimate or acceptable means for the achievement of goals, no matter what ideals are involved. In outlawing terrorism, the world would be taking a first

step in the move to lessen the prevalence of violence.

The motivation for an act may be considered as mitigating circumstances for the imposition of punishment. For example, where individuals have hijacked a plane with its crew as a means for escaping from behind the Iron Curtain, extradition could be considered inhumane. Yet, criminal proceedings for the hijacking should be instituted. The penalty which would be imposed should be mitigated, especially if no passengers were threatened. Likewise, in the *Cheng* case the United States would consider the motivation and background as mitigating circumstances. A similar principle might apply to the struggles of African liberation movements. In each instance, however, the seriousness of the offense would also be weighed. For example, an act of premeditated murder, e.g., the murders of the diplomats at Khartoum or the indiscriminate killing of civilians, would not merit mitigation of punishment.

In applying the principle of constructive notice and state responsibility, a terrorist should be extradited or tried within 30 days after the commission of the offense. The state involved would have the option to transfer the terrorist to the jurisdiction of a specially formed International Criminal Court.

In taking any action, the head of state would be required to duly inform an international agency of what action the state has taken. Observers may be permitted to attend the trial of the terrorist, who, regardless of the horror of his act, would be accorded the elementary principles of international due process of law. The punishment should be proper in accordance with the circumstances of the case.

Where a state fails to undertake any measures against the terrorists or has aided and abetted in the undertaking of the act, the state whose nationals were injured, or the individuals themselves who are injured (or persons acting on their behalf), may properly protest to a duly constituted international agency. Such an agency, functioning similarly to the European Commission on Human Rights, would investigate the complaint and seek to resolve the matter by negotiation. Failing such efforts, appeal would be taken to the International Criminal Court which would hear the matter and adjudge the head of state or the state itself to be responsible under the doctrine of constructive notice or the doctrine of responsibility of states. The state would be required to compensate the victims and to take action forthwith to prosecute the terrorist or implement other measures as may be appropriate.

The *ad hoc* International Criminal Court, on the presentation of a complaint, could itself try the terrorist and brand him on outlaw. States and heads of states which aided and abetted in the act of terrorism would also be tried. The judgments of the courts as well as findings by investigating bodies would have the sanction of world public opinion. International law is essentially a means for international communication and adjudication would be one means of such communication.

A state whose interests had been injured by a terrorist act committed with the aiding and abetting of another state or by its condonation can upon adjudication freely engage in reprisal actions to capture the terrorists or deter further action. Reprisal would be undertaken only if all effective measures of international sanction are absent. However, such reprisal, as distinguished from the present situation, would be undertaken within the framework of a considered judgment by an international agency.

Some countries may rightly be skeptical and distrustful of the efficacy of international legal institutions. Past experience has not been encouraging, particularly considering the biased decisions of the agencies of the United Nations. However, in its evolution, in-

ternational institutions will invariably become impartial, comprised of judges and officials who dedicate themselves as civil servants of mankind. In the final analysis, true security for all nations can be found only within a framework of world law.

HUMPHREY-HAWKINS BILL ENJOYS GRASSROOT SUPPORT

Mr. HUMPHREY. Mr. President, I call to the attention of the Senate yet another vigorous expression of broad-based support for the Full Employment and Balanced Growth Act. The president of the International Association of Machinists and Aerospace Workers, AFL-CIO, Mr. Floyd E. Smith, recently presented me with 700 petitions containing 8,321 signatures from 297 local lodges urging quick passage of the Humphrey-Hawkins legislation. Support was not confined to the large cities of the northeast. Petitions arrived from nearly every State in the Union, from Havre, Mont., to Birmingham, Ala.; from Paradise, Calif., to Rutland, Vt.

I am told by union leaders that this is the greatest response in its history to a petition drive of this kind. The magnificent turnout should come as no surprise. The IAM was one of the original backers of full-employment legislation. The industries covered by the union have been particularly hard-hit by the recession. These people are tired of the trickle-down economics of the Nixon-Ford era. They are not pleased with America's latest first—first in the industrialized world in unemployment. The machinists are not fooled by the Phillips curve myth that we must accept intolerably high unemployment to avoid inflation. They are clamoring for immediate action to get America back to work. They want more jobs, not more unemployment compensation handouts. In an article introducing the petition drive in the June issue of the magazine, the Machinist, the IAM reacted with extreme displeasure to President Ford's charge that Humphrey-Hawkins is but a "vast election year boondoggle" whose cost and inflationary impact "defied rational calculation." The article states:

Any way you slice it, the big issue is jobs in this 1976 election campaign for the Presidency and Congress. More than 25 million Americans will have been unemployed at some time during the 12 months prior to election day. With today's prices, every lay-off is a catastrophe for the individual—and for the family. More than 10 million workers are unemployed right now. The official figure is 7,000,000, but that misses 3,000,000 more who have either given up looking for work or are forced to work half-time or less.

Six years ago when the Nixon-Ford leadership thought a little dose of unemployment would cure inflation, only eight of 150 metropolitan areas suffered from serious unemployment with 6 percent of the work force hunting jobs. Today there are 130 such areas and prices are higher than ever . . . Despite this, President Ford has made unemployment his political football.

Now, some point to the youth unemployment rate of over 19 percent and to the fact that the percentage of the labor force made up of young people has increased over the past decade, and conclude that the overall unemployment rate should not cause so much concern. They

think that unemployment is mainly for kids. Well, I would just like to read you a letter, one of the many that accompanied the petitions, from Mr. Eugene J. Wehner, a 60-year-old man in St. Louis, Mo., who knows that unemployment is not just kids' stuff: "I am one of the unemployed, a skilled tool room machinist and because of being 60 years of age, I might as well die, as they feel there is no need for a man over 25 years old under these economic conditions." Mr. Wehner's eloquent words need no explanation.

Thank you, Mr. President.

THE LIBERAL TWILIGHT

Mr. FANNIN. Mr. President, one of the most intelligent and perceptive critiques I have seen of Government intervention in the marketplace, of Federal overregulation of business and of deficit spending as a panacea for our Nation's domestic ills was made by columnist M. Stanton Evans in a speech which he delivered on the campus of Hillsdale College.

Among his numerous accomplishments, Mr. Evans is a radio commentator on CBS and an author, the former editor of the Indianapolis News and current chairman of the American Conservative Union.

Mr. Evans has provided a well-written, well-documented indictment of liberalism—of the philosophy and programs that have dominated America's political and social scene for 40 years. Because of the mounting evidence that this philosophy and these programs are bankrupt, have outlived their usefulness, if ever they were useful, and have proven to be unsatisfactory responses to our Nation's mounting problems, Mr. Evans has concluded that we are entering a period of "liberal twilight," in which "the liberal world view as we have known it begins to fade from vision."

To demonstrate his thesis, Evans points to liberal failures in the economic sphere—in such areas as inflation, unemployment, and housing. As he points out, in these and other issues:

The liberal argument has the situation backwards. It is not government that can cure the problems generated by private enterprise, but private enterprise that alleviates and diminishes problems created by government. . . . The final assurance is not economic but political and constitutional: that it is possible on the one hand to pile up all these powers in the hands of the federal government, eroding the barriers to the exercise of power built into the constitutional system by our founding fathers, and yet maintain our essential freedoms.

In Evans' view, liberals, who emphasize "human rights" as the "core values of a free society," are wrong-headed: You simply cannot separate freedom of expression, for instance, from a free economy. As an illustration, Evans points to regulation by the Federal Communications Commission which, through its licensing power, has been able to impose effective constraints on free speech, under the dubious doctrines of "fairness" and "equal time."

Mr. President, I need not reiterate the other examples cited by Mr. Evans. His excellent discussion of the issue needs no amplification by this Senator. Indeed,

his argument that liberalism is fading away requires no qualifications: There is ample evidence all around us. The question remains, however, in what direction is our society heading? In Evans' opinion, the controversy surrounding the "quality of life" issues, especially abortion and euthanasia represents:

... the ultimate phase of this development in which the liberal mind set becomes transformed into something quite the opposite of liberal: in which the libertarian shell has fallen away, and we're left with the bedrock principles of compulsion and the subjection of human beings to a planning elite.

It is the concern of Mr. Evans and other like-minded critics of the welfare state that a "united front" of conservatives and disenchanted liberals can work together to forge out of decadent liberalism and so prevent "the further erosion of our political system into authoritarian practice." I share that hope, and I commend Mr. Evans' view of our current dilemma to my Senate colleagues.

Mr. President, I ask unanimous consent that the complete text of "Liberal Twilight" by M. Stanton Evans, as it appears in "Imprimis" and was presented at Hillsdale as part of that college's "Ludwig von Mises Lecture Series", be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE LIBERAL TWILIGHT
(By M. Stanton Evans)

In the past four decades, we have seen a dramatic growth in the scope of government power in the United States: a drainage of power upward out of the states into the central government, and within that central government, away from the Congress into the hands of the executive. And, I hasten to stress, not necessarily into the hands of the president, but into the hands of the executive bureaucracy.

As a result, we have established on the banks of the Potomac precisely the kind of unchecked, untethered monolithic power structure that our founding fathers wanted to avoid. This has been done on the basis of a number of arguments and alibis that need examination. One of these is the suggestion that the scope of federal power is not much larger than that which existed forty years ago. As a result of this activity, supposedly, we increase the absolute size of government, but since we are also increasing the productivity of our economy, relatively speaking there isn't that big an increase.

There are lots of ways of looking at that argument, but I think the simplest is to take the spending figures, and trace them down through this period of four or four and a half decades. If you go back to calendar year 1929, you discover that in that year, the entire outlay of the federal government came to less than \$3 billion, \$2.6 billion to be exact. If you come forward to fiscal '75, you discover that the outlay of the federal government was about \$324 or \$326 billion. If you round that back down just to \$300 billion, you discover that in a span of 46 years, the budget outlays of the federal government increased by 10,000 percent, from \$3 billion to \$300 billion.

This was a period when the population of the United States was increasing from about 120 million people to perhaps 214 million, an increase of roughly 75 percent. So in those terms it is readily apparent that the com-

pulsory sector of our economy, just measuring the federal component of it, has been increasing at a rate much greater than the growth of the economy as a whole.

Now it is true that the increase in spending is measured in dollars devalued by the process of inflation. But it is possible to correct for that and to take the percentage of government spending in terms of gross national product or personal income, and thus to get a constant measure of what is happening to our economy. If we do that, we discover that in 1929 the percent of gross national product consumed by government at all levels was just about 10 percent. Today, it is 37 percent.

A single proposal now before Congress, the National Health Insurance Plan of Senator Kennedy, would increase that percentage to 45 percent. If the trend of growth that has prevailed for the past two decades continues simply as it has been with no major additions, by the year 2000 the percent of GNP absorbed by government is going to be 67 percent, according to the estimates of the Office of Management and Budget. In terms of personal income, the story is much the same. In 1930, the percent of personal income consumed by governments at all levels was 15 percent. Today it is 44 percent.

And that, I might stress, is only a threshold measurement. On top of the spending measures, you have layer upon layer of regulatory intervention which itself imposes social costs and economic costs not included in the budget figures. We know, for example, that there are, at various levels of government, 283 different agencies which have some species of superintendence over the activities of American businesses. We know that there are about 150,000 government employees at every level involved in that activity. We know that in the federal government alone there are 63,000 employees involved in that activity.

We know that in paperwork alone, the costs to business and taxpayers amount to about \$40 billion a year. We know that there are something like 6,000 different federal forms which have to be filled out by American businesses. President Ford's Council of Economic Advisors has estimated that the additional costs to consumers of various federal regulatory programs is \$130 billion a year.

If we compare this level of intervention with the level prevailing in the explicitly collectivist countries, we find there is not much difference. The percent of GNP taken in the Scandinavian countries for social programs is not much higher than the percent which is being taken here. So the assurance that it's all in your mind, it's all relative and isn't really that big, is mistaken. But if that empirical point can be established, one finds other assurances and explanations forthcoming.

One of these is that the burden of guilt for all this spending rests on the military. We experience high taxes and ravaging inflation, allegedly, because we're spending so much money on unneeded military implements and responding to the pressures of the military-industrial complex.

That notion has been sold very effectively in many segments of the national media and by very articulate politicians. But it is totally unsupported by the empirical record. If you examine the budget figures for the last decade, you discover that the percentage of the federal budget devoted to the military has been falling like a stone. In 1963, 46.9 percent of the federal budget went for defense, almost half. For fiscal '76, it's 27 percent, just a little over a quarter. Even though there has been an absolute dollar increase in outlays for defense, that proportion has fallen steadily because the major spending increases have been for non-defense items, and mostly for welfare.

It's interesting to note the spending history of the Department of Defense as put up against the spending history of the Department of Health, Education, and Welfare. In the two decades, 1952 to 1972, the DOD budget increased by 74 percent, which in constant dollars was not much of an increase at all. In fact, according to the Brookings Institution, that was roughly keeping even in terms of what could be purchased with the dollars.

In that same two decades when Pentagon spending increased by 74 percent, the spending of the Department of HEW increased 4,837 percent, from \$1.9 billion to roughly \$100 billion. Today, whatever one may think about the Department of Defense, it no longer has a distinction it once did have. That is, it is no longer the largest department of the federal government. Its budget for '76 is about \$93 billion. The budget of the Department of HEW is \$118 billion. That is where the truly enormous spending increases have occurred—not for defense but for domestic social welfare programs.

If that empirical point can be driven home, one encounters another explanation which also has its plausible aspects. This is the suggestion that even though we are spending all this money on social welfare programs, at least we are helping poor people. We are taking resources from people who don't need them and putting them into the hands of people who do. This is what all the transfer payment programs are about and indeed they have been growing very rapidly.

There is no question that some proportion of this enormous increase in federal spending has gone to help people who are in need. But I would suggest to you that is not the major impact of what has happened. The major impact is something else altogether.

Again we face the difficulty of how you quantify these things. I have a formula which I think suggests a kind of answer. It is possible to measure the net increase in social welfare spending over a given span of time. If we do that, we discover that between 1960 and 1971, the total level of expenditure on social welfare programs, broadly defined, increased from \$50 billion in 1960 to \$171 billion in 1971—about a \$120 billion increase.

It so happens that, according to the Bureau of the Census, there are about 25 million poor people in the United States, defined as people with an income level of \$4,137 or less for a given year, for a family of four. If we take those 25 million poor people and divide them into the \$120 billion increase—not the whole thing, just the increase—we discover that if we had simply taken that money and given it to the poor people, we could have given each and every one of them an annual stipend of \$4,800 a year, which means an income for a family of four of \$19,200. That is, we could have made every poor person in America a relatively rich person. But we didn't. Those poor people are still out there.

What happened to the money? The answer is that some of it did get into hands of the people who are supposed to get it. But a lot of it didn't. I would say the majority of it went to people who are counseling the poor people, working on their problems, examining the difficulties of the inner city, trying to rescue poor families and devise strategies for getting them out of their doldrums. It went to social workers and counselors and planners, and social engineers and urban renewal experts, and the assistant administrators to the administrative assistants who work for the federal government.

Now it is very interesting to note, if we talk about relative impoverishment and affluence in our society, that the level of income among people who work for the federal government is considerably higher than the level of income of people who work for private industry. In 1972 the median income for someone working for the federal government in civilian employment was about \$12,700. The

corresponding income for someone working in private industry was about \$9,000. This means that whenever these programs are adopted, the gross effect, and I use the word in both its senses, is to transfer money from people who are relatively poor—that is, taxpayers—to people who are relatively well off—that is, people who work for the federal government.

It's also interesting to note the two most affluent counties in the United States. What do you think they are? Westchester County, New York? Dupage County, Illinois? Marin County, California? Orange County, California? No, none of those.

The two richest counties in the United States, according to median family income, are Montgomery County, Maryland, and Fairfax County, Virginia, which happen to be the two bedroom counties for the federal government. That's where the government workers live. The median family income in Montgomery in 1972 was \$16,000 plus. In Fairfax, which was not quite so good, it was about \$15,700. Every time a program is adopted to enhance the power of the federal government, to cure impoverishment, those are the people who are enriched.

So it seems to me that argument is implausible, although superficially appealing. We simply have not been assuaging poverty by what we're doing. The other justifications are essentially subdivisions of that one. They are contentions that in problem areas throughout our economy, it is necessary to have a federal intervention of some type because the private market economy and the system of voluntary exchange have failed to get the job done.

We need a new health care program, supposedly, because the system of private health care delivery has failed. We need a new spending program to create jobs because the private market economy has failed to provide jobs. We need a new housing program because the private housing construction industry fails to provide new low-income housing. We need environmental constraints, we need energy programs—all allegedly because the system of private exchange doesn't do the job.

It is precisely here, however, that the liberal social philosophy has reached a watershed which even liberal theoreticians have come to recognize as such. If one takes the readouts on all these various programs and all of the difficulties that we allegedly are going to redress by enacting them, two things become apparent.

One is the fact that quite clearly these programs do not solve social problems. They are much more likely to create such problems. Second is the fact that in each and every one of these issue categories, you discover that every problem brought forward as a reason for further government intervention is the result of a prior intervention. The issue categories in which this is so are worth examining in a bit of detail because they show the phenomenon of self-generating interventions very clearly.

Inflation: We are being told that we have various kinds of government action because of rising oil prices or rising food prices. We've seen the enactment of a very complicated system of wage and price controls which obviously failed. We still have price controls in the energy field. We have exhortations on occasion to return to the system of full controls, all of this to cure the problem of inflation.

Well, who creates the problem of inflation? The answer is very plain on the record. Inflation, as I am sure the students of economics here are well aware, is essentially a phenomenon of more dollars chasing fewer goods, or an increasing money supply going after a relatively stable volume of production. That is exactly what has happened in the United States in recent years. Take a look

at what happened to the money supply between '67 and '73, right through the period of controls. In that span, the money supply increased by 44 percent. The index of industrial production increased only 26 percent. What happened to consumer prices? They were right in between the increase in industrial production and the increase in the money supply, rising by roughly 35 percent. It is very clear on that record, as well as on the theoretical articulation of what causes inflation, that government itself creates the problem government is setting out to cure.

Unemployment: Government wants to cure unemployment through spending programs and job training projects. This is indeed a serious problem. Adolescent unemployment is very high these days; specifically, unemployment among black adolescents has soared to about 40 percent. Now why is black adolescent unemployment that high? What has caused this very serious problem?

The cause of that phenomenon, as it happens, is a "humanitarian" social program called the statutory minimum wage, one of those ideas that sounds great in theory but is not so great in practice. The theory is that we can raise people's wages by fiat. We simply pass a law saying workers ought to be paid a living wage and it is inhuman to pay less than that wage, making it illegal to go below it.

Unfortunately, it doesn't work that way, because in the final analysis, everybody's wage is paid by the consumer. If a given employee doesn't bring to the job the skills and the education to generate what he or she is being paid, that employee isn't going to get hired, or will be the first to be laid off when the economic crunch arrives. This means that any statutory floor under wages always works to the disadvantage of marginal workers, the people who can least afford further disadvantage because they've already had insufficient education and training.

We see that in our economy precisely in the phenomenon of black adolescent unemployment. In 1954, the federal minimum wage stood at 75 cents an hour. Black adolescent unemployment was 16.5 percent, which was bad enough in itself. By 1968, however, the federal minimum had gone to \$1.60 an hour and black adolescent unemployment was 26.5 percent. Now the minimum is \$2.10 and it's going to go to \$2.20, and black adolescent unemployment is 40 percent.

So in this instance as well the federal government is creating the very problem it allegedly is setting about to cure. The answer to that problem is not further intervention into the market, but to phase out the intervention that we have.

Housing: We're told the private housing construction industry has failed. The record is directly the opposite. In the period since the 1930's in which the federal government has been involved in housing programs of one sort or another, what has been the result of those programs? There have been many computations made and they all point to the same conclusion. The net impact of federal involvement in the field of housing has been the destruction of over one million units of housing. Now some of that housing, agreed, was unliveable, but much of it was liveable, and much of it was destroyed by urban renewal programs which went in to inner cities, obedient to the vision of the planners, and knocked down row after row, unit after unit of liveable housing and threw the tenants or the owners of that housing out and packed them into very densely populated neighborhoods elsewhere.

Now while the federal government was creating a net destruction of one million housing units, what was the private construction industry doing? The answer is that it was upgrading American housing in a chronicle of progress, true progress, that is probably unequalled anywhere in the annals

of productive enterprise. In 1940, 51 percent of the housing in the United States was rated standard—that is, not in need of major repair, not overcrowded, with indoor plumbing. In the census of 1970 the corresponding figure was over 90 percent.

The same kind of thing is true in the realm of transit, environmental controls, energy, and almost every other issue that is being debated in Washington. The liberal argument has the situation backwards. It is not government that can cure the problems generated by private enterprise, but private enterprise that alleviates and diminishes problems created by government.

There is finally, and perhaps most important of all, another assurance whose failure, in my opinion, indicates that we are entering a period of liberal twilight—a period in which the liberal world as we have known it begins to fade from vision.

The final assurance is not economic but political and constitutional: that it is possible, on the one hand, to pile up all these powers in the hands of the federal government, eroding the barriers to the exercise of power built into the constitutional system by our founding fathers, and yet maintain our essential freedoms.

What's important, in the liberal view, are human rights or rights of speech and advocacy and political association and religion. These are the core values of a free society, and we guarantee that even though we are doing all of these things to the economy and to the constitutional system, that all these rights are going to survive.

I regret to say that this final assurance is also unjustified, according to an enormous body of evidence that is piling up before us.

To begin with, it is theoretically impractical to reconcile these propositions. If in fact one can control the economic elements of a society, then one can control political activity as well. To take a very simple example, if one can control the supply of newsprint, one can control the press. It is interesting to recall that the closest we ever came to seeing a mass shutdown of newspapers in this country was in the fall and winter of 1973 when there were labor problems in Canada and the supply of newsprint was diminished. The result was that newspapers all over the Midwest cut back on the number of pages they could print, and there was a very real fear that they would have to stop publishing altogether. As a result of that particular economic constraint, a number of features and opinion columns were dropped from newspapers—a very clear example of economic factors impinging upon freedom of expression.

But there are other more direct illustrations as well. We know, for example, that there is not freedom of political communication today in a very large segment of the press, namely the electronic media. In that business the basic economic resource, the broadcast frequency, is controlled by the federal government—by the Federal Communications Commission. If you want to operate a commercial broadcasting station, you have to get a license from the FCC and that license is subject to renewal every three years.

If you do not conduct yourself in a manner the FCC considers appropriate, your license can be taken away. There are few instances in which licenses are actually removed but it isn't necessary to have many removed for the point to get across: if you conduct yourself peaceably and don't stir up a lot of fuss and feathers, you probably will get a routine renewal. But if you create problems and become excessively controversial, as has happened in certain cases, then your license can be taken away. Hundreds of thousands, perhaps million of dollars of revenue, can be lost as a result of that political decision.

Above and beyond this threshold con-

straint, the Federal Communications Commission has added other very explicit constraints through the fairness and equal time doctrines. The Federal Trade Commission has also gotten into the act with its rulings about commercial content. So the range of debate in commercial broadcasting has been severely constricted, principally, because the basic economic resource is in the hands of the government.

During the Watergate controversy, there was a considerable flap when Senator Lowell Weicker of Connecticut, a maverick Republican on the Watergate Committee, came up with a document which allegedly had been drafted by Jeb Stuart Magruder, a functionary with the Committee to Re-elect the President.

In this memorandum, Magruder spelled out a number of ideas for getting at people in the media who disagreed with the administration. He said things like this: The first thing we do when we get Dean Burch appointed chairman of the FCC is to start monitoring what the networks are doing, and build a case that they are not giving out with balanced programming.

Then we can get the Antitrust Division of the Justice Department to take a look at the networks and suggest that there are going to be actions on that score. And then we can get the IRS into the act and start taking a look at the tax situation. There are all kinds of things we can do to intimidate them and back them off a little.

When that came out it caused a tremendous uproar; there was indignation that the Nixon regime was planning to use the powers of government to punish dissenters. It reminded me of a very similar memorandum written back in the early 1960s by a man named Victor Reuther, one of the high officials of the United Auto Workers, addressed to then Attorney General Robert Kennedy. In that memorandum Victor Reuther spelled out a scenario very similar to that spelled out by Magruder.

Reuther said, in essence, we should take the FCC and the IRS and other agencies of the government and start putting heat on conservative broadcasters creating problems for the Kennedy administration. He very elaborately suggested some of the things that might be done. That advice was acted upon. We know now that this program for inhibiting dissent through the political use of the Federal Communications Commission was pursued very energetically by both the Kennedy and Johnson administrations.

I cite those parallel examples not to say that since it was done under the Kennedy administration and the Johnson administration, therefore it's all right under the Nixon administration—no. Both are wrong. The point is otherwise. That point, it seems to me, is that in neither of these memoranda was it suggested that we needed a single new governmental power to control the media in this country. What was being suggested was that *the power is already here. We have the power.* Just take it and use it against the people who disagree with us.

Ultimately the Nixon attempt failed because of Watergate. But nonetheless, the power was there and the power is still there. That power has not been dismantled as a result of Watergate. It's all sitting there in Washington, D.C., waiting to be used by somebody who knows how to deploy it in sophisticated fashion.

A second point implicit in what I've been saying is that almost all of these controls are economic in nature. All have to do with controlling some aspect of our economic lives, either through taxation, antitrust, or the FCC licensing power. By controlling the economy, we control political expression as well.

Alexander Hamilton said a power over a

man's subsistence amounts to a power over his will. A very true and very obvious statement. If I could control the wherewithal of your life, I could control almost everything about you. If I can control your subsistence and I can control your will, I can certainly control your voice or pen.

In essence what the liberals have attempted to do, and it has been a heroic enterprise in its way, has been to abandon the premises of a free society, to adopt the premises of an authoritarian society, and yet to avoid authoritarian result: to say that we're going to have a collectivized, regimented society and still maintain our libertarian values. What is happening to us now, in the terminal phase of that experiment, is a final disintegration of libertarian values. We are beginning to see the indications of an authoritarian state—not simply a regimented state, but an explicitly authoritarian state—crop up around us.

I think we see this in some very mundane, very ordinary controversies debated all the time in communities around this country. The issues I pick are essentially three—busing, sex education, and the population issues.

Take a look at those issues. The usual debate on busing, for example, is as follows. The proponents of the neighborhood school want to preserve their local neighborhood and autonomy against the people who want to get authentically integrated schools. All the debate is about "unitary" and "dual" systems and *de jure* and *de facto* segregation.

But if one pursues the busing controversy to its heart, one discovers a totally different set of issues. If you go back and read the Coleman Report, published in 1966 by the Department of Health, Education and Welfare—named for Professor James Coleman, then of Johns Hopkins, now of Chicago—you find the rationale for busing spelled out pretty plainly. And it is articulated even further in another document called *Racial Isolation in the Public Schools*, published in 1967.

The Coleman Report in essence was a review of all the factors entering into public education and the things that resulted from those factors. It found that the enormous increase in spending for public schools over the past several decades had not resulted in a corresponding increase in learning gains, and in particular had not produced any diminution in the black-white learning gap which was observed at the beginning of school and was still observed at the end of school.

The problem as it was perceived by these researchers, and those explaining their research, was that we were sending black kids into these wonderfully appointed, very expensive public schools with all the right facilities and all the right preparation, and there we were programming into them the good things they ought to know. But then at the end of their school they were going home to their ignorant parents, where the good effects of the official programming were being washed away. They were slipping back into the same culture pattern from which they had originally emerged.

The conclusion drawn from that—to put it in its most brutal, but I think most accurate, form—was that we had to break the link between the black child and his or her parents. We had to take that child and get him as fully as possible in an artificial environment created by planners who had the proper credentials and the proper expertise and the backing of the state.

Coleman said it very plainly in an article in *The Public Interest* in the summer of 1966. He said that what is needed in a school that begins very early in the day and ends very late in the day, a school that preferably

would begin very early in life. We had to replace the home environment by an official environment.

Now that's a very interesting idea, and it is particularly interesting when it is proposed in the name of civil rights—to take the black child as an experimental guinea pig in cultural homogenization, and to say that we're going to get that child away from his family and to mold him according to a design desired by official planners.

It is this same idea that is apparent beneath the surface in these other controversies. We see it in the sex education debate—and again the superficial level is one thing and the actual level is something else. The superficial, public level is: My kid is being exposed to pornography because they are showing him pictures of frogs copulating. On the other side is the school saying the kids have to learn hygiene and how to avoid getting pregnant, and it's important that we teach them these things.

Again, I'm not downplaying the importance of such issues, but they're not the real issues. The real issues are essentially the same as in the busing controversy. If you push that one far enough, you invariably reach a point where people on the side of the sex education programs say: Look. Let's face it. These parents are too dumb. They don't know what is right for their own kids. They've got all these hang-ups and can't talk to the kids about this. They don't know how to shape them emotionally and physically. We know. We've got the credentials. We studied this. We've got the degrees and we've got the state backing us up.

The population question is the ultimate version of this whole controversy. A plausible rhetoric about the "quality of life" would have us suppose that the issue here is *numbers* of people. And, without taking a particular side, that is an issue worth discussing. But it isn't the real issue. The real issue isn't the *number* of people. It's the *kind* of people. Read the literature that has emerged from the abortion and euthanasia movements and examine the meaning of the phrase "quality of life." Sounds good, doesn't it? Everyone wants a better quality of life. Well what that means is something rather different. *It means that some lives are better than others*, that there is such a thing as a life that isn't worth living and that it is up to those of us who have the expertise to make the decision as to which lives are worth living and which aren't. And that is the payoff. That is the ultimate phase of this development in which the liberal mind set becomes transformed into something quite the opposite of liberal: in which the libertarian remnants that have persisted through these forty years fall away, and we see the emergence of an authoritarian state.

If one adopts the authoritarian premises, ultimately one is going to emerge with the authoritarian conclusions. The libertarian shell has fallen away, and we're left with the bedrock principles of compulsion and the subjection of human beings to a planning elite.

It doesn't have to be that way and some liberals have turned back in the other direction. It is my hope that those who have become disenchanted with the liberal formula will join with those who have criticized this approach for many years, and that between them they will be able to attack, in an intelligent way, the economic distresses which have afflicted our society and prevent the further erosion of our political system into authoritarian practice.

If such a united front can be, then I think there is some hope that emerging from this liberal twilight will be a more libertarian product than that I have been describing, and that those of us who are concerned for

the future of our society can restore it to the ways of freedom intended for it by its founders.

EIGHTH ANNIVERSARY OF SOVIET INVASION OF CZECHOSLOVAKIA

Mr. PELL. Mr. President, August 20-21 was the eighth anniversary of what has appropriately come to be known as the Soviet Day of Shame—the brutal invasion of Czechoslovakia in 1968 by 600,000 Soviet and other Warsaw Pact troops. It is lamentable that in the current atmosphere in the United States of skepticism—and even cynicism—about the course of East-West détente our memory of what the peoples of the small and peace loving country of Czechoslovakia tried to do 8 years ago seems to have dimmed.

In the spring and summer of 1968, the Czech and Slovak peoples, acting in accordance with the U.N. Charter's principle of "the sovereign equality" of all U.N. members, tried to humanize the Communist system under which they had lived for 20 years. This was a purely internal matter which threatened no other nation; yet the Soviet Union, apparently believing that some sovereign U.N. members are more equal than others, violated article 2(4) of the U.N. Charter which states that—

All Members shall refrain in their international relations from the threat or use of force against the territorial integrity or political independence of any state, or in any other manner inconsistent with the Purposes of the United Nations.

I have long had an interest in and personal acquaintance with Czechoslovakia. It seems only a short time ago when, as a young Foreign Service officer, I opened the American Consulate in Bratislava shortly before the Communist putsch of February 25, 1948. Through the years since then, I have sought to visit Czechoslovakia as often as I could and to stay in touch with conditions in that country. I was there just prior to and just following the Soviet invasion of 1968. I observed at the time that the fact that the Soviet Union did not have to use force directly to make Czechoslovakia a Communist country but had to employ a major military force to keep it Communist says something dramatic about the appeal of communism after two decades of exposure to it.

Mr. President, on August 1, 1975, the 35 participants in the Conference on Security and Cooperation in Europe signed a Final Act in Helsinki relating to security in Europe, and economic and humanitarian cooperation. I was encouraged at the time by the fact that among the principles to which the participants, including the Soviet Union, subscribed, was one which stated that "no consideration may be invoked to serve to warrant resort to the threat or use of force" against the territorial integrity or political independence of any state. My colleagues may recall that in 1968, the Soviets justified their invasion in the name of "proletarian internationalism"—also known as the Brezhnev doctrine.

The fact remains, however, that some 50,000 to 70,000 Soviet forces remain in Czechoslovakia with the principal mission of insuring that no more Prague springs occur. Until the Soviet occupation of Czechoslovakia ends, there is no realistic prospect for the Czechs and Slovaks to exercise their sovereign rights as set forth in the U.N. Charter and reiterated in the Helsinki Final Act.

A Commission on Security and Cooperation in Europe was set up by an act of Congress this past June, and signed by President Ford, to monitor compliance with the Helsinki Final Act. That Commission, of which I am proud to serve as chairman along with Congressman DANTE FASCELL of Florida, will play an important role in the U.S. Government's effort to insure that the principles agreed to at Helsinki—including the nonuse or threat of force—will mean something to the peoples of both East and West.

While there is hope—and it is only that for now—that Soviet aggression in Eastern Europe may be a thing of the past, we must not forget what happened in 1968 nor allow the Soviet Union to forget that its invasion and continued occupation of a neighboring country is in contravention of solemn obligations.

Mr. President, I ask unanimous consent that a statement prepared by the Czechoslovak National Council of America and issued each year beginning in 1971 be printed at this point in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

FREEDOM IS INDIVISIBLE

On this sad occasion of the eighth anniversary of the brutal Soviet-led invasion and occupation of peaceful and freedom-loving Czechoslovakia, we American citizens of Czech, Slovak and Subcarpatho-Ruthenian descent, again remind the entire world of this Soviet violation of key principles of international law incorporated into the Charter of the United Nations:

The brutal Soviet aggression and occupation:

(1) violated the sovereignty of a member state of the United Nations (Article 2, Section 1);

(2) was carried out in violation of Article 2, Section 4, which prohibits the use of military force in the relations between individual members of the United Nations;

(3) violated the principle of self-determination of peoples (Article I, Section 2);

(4) was in conflict with Article 2, Section 7, which prohibits outside intervention in matters essentially within the domestic jurisdiction of any state;

(5) was in conflict with a number of resolutions of the General Assembly of the United Nations, particularly with Resolution 2131 (XXI) adopted at the meeting of December 21, 1965, upon the Soviet Union's own motion, prohibiting any intervention in the domestic affairs of any state and guaranteeing its independence and sovereignty.

The continued Soviet occupation of Czechoslovakia is another crime against the right of a small country to determine its own destiny and aspirations. The invasion was an intervention by the forces of reactionary communism to prevent the Czechs and Slovaks from establishing their own social order that did not endanger anyone and sought to contribute to the building of bridges across the discords of a divided world and to lend aid to a better understanding and coopera-

tion among all nations on the basis of true progress and humanity.

The people of Czechoslovakia have not resigned themselves to these aggressive plans of Moscow. The day of August 21, is being commemorated in Czechoslovakia as a Day of Soviet Shame in a mighty and disciplined resistance against Soviet pressure. We are joining our friends in Czechoslovakia in asking the entire civilized world to support the people of Czechoslovakia in their effort to achieve.

"The Withdrawal of Soviet Troops From Czechoslovakia."

August 21, 1976.

Czechoslovak National Council of America, Chicago, Illinois.

ADDRESSES BY GEN. A. C. WEDEMEYER, U.S. ARMY (RETIRED)

Mr. THURMOND. Mr. President, one of the truly outstanding soldier-statesmen of this century is Gen. Albert C. Wedemeyer. In World War II, he established a distinguished record as commander of American forces in the China Theater and as Chief of Staff to Generalissimo Chiang Kai-shek. Although the might of America's industrial and material strength was generally channeled to other theaters, General Wedemeyer demonstrated brilliance of command and of diplomacy in conducting the difficult assignments that were his.

After the war and with the additional rank of Ambassador, General Wedemeyer surveyed the entire situation in China and Korea with respect to U.S. policy in that part of the world. His advice should have been more closely followed. Today, the division of China with the Communists in control of the mainland and the Nationalist Chinese centered on Taiwan has immense consequences for the rest of the world.

Mr. President, General Wedemeyer's knowledge of Chinese history and its effect on the world is profound. He is particularly effective in relating it to U.S. policy and this Nation's own history. Significantly, he has delivered three addresses in recent times which reveal so clearly the wisdom of his views.

First, he prepared the commencement address for the June graduating class at the Fu Jen University in Taipei, Taiwan. In these well-chosen remarks he traced the pattern of freedom and opportunity which the graduates were inheriting.

A little over a year earlier, General Wedemeyer delivered a memorial tribute to the late President Chiang Kai-shek in services at Washington National Cathedral. His words on that occasion blend so well with the commencement address at Fu Jen University that, together, they provide a probing perspective on Chinese development.

Additionally, General Wedemeyer delivered a Fourth of July address this year which demonstrates thoroughly that his understanding of foreign affairs, in general, and Chinese affairs, in particular, is founded on a complete background in American history and principles. His remarks on that occasion, entitled "A Tribute to the Father of Our Country and the 56 Signers of the Declaration of Independence," are a splendid

tribute to America's founders and the purposes they fostered.

Mr. President, in order that my colleagues of the Senate may also have the opportunity to profit from these enlightened addresses by General Wedemeyer, I ask unanimous consent that they be printed in the RECORD.

There being no objection, the addresses were ordered to be printed in the RECORD, as follows:

WEDEMEYER'S ADDRESS AT DOCTORATE CEREMONY

(Gen. A. C. Wedemeyer, a long-time friend of the Republic of China, was presented with an honorary doctorate at the Fu Jen University graduation ceremony yesterday in Taipei.)

(Dr. Frederick Chien, vice foreign minister of the Republic of China, accepted the honor and gave a speech on Gen. Wedemeyer's behalf. Full text of the speech is as follows:)

Chancellor, Your Eminence Cardinal Yu-Pin, members of the faculty, distinguished guests, members of the graduating class, ladies and gentlemen:

Circumstances beyond my control have prevented me from joining you personally on this joyful occasion. His Eminence Cardinal Yu-Pin kindly suggested that I send my address to be read by someone whom I would designate. For many years I have heard glowing reports concerning the enlightened academic policies and the spiritual environment of Fu-Jen University in Taiwan. A few years ago while visiting the Eternal City, I was honored by an audience in the Vatican with His Holiness Pope Paul VI. As you can well appreciate, this was a memorable experience. It confirmed my personal impression of the Pope's deep spirituality and his compassionate interest in mankind. We discussed many subjects, including the Far East. His Holiness referred warmly to President and Madame Chiang Kai-shek, to His Eminence the late Thomas Cardinal Tien, and to His Eminence Paul Cardinal Yu-Pin. I told His Holiness of my previous associations with these distinguished Chinese, and of the high regard I bore for them. Knowledgeable concerning the turbulent history of China, His Holiness expressed kindly interest in the future well-being and the freedom of the Chinese people.

FUTURE

In 1911 the future looked promising when the decaying Manchu Empire was overthrown, and the dedicated leader, Dr. Sun Yat-sen, introduced a progressive, program for the unification and modernization of China. Dr. Sun faced an enormous task. The unjust system of concessions and privileges, which foreign powers had arrogantly imposed, weakened and divided the country. There were irreconcilable war lords who not only had to be subdued, but also had to be convinced that a strong central authority would mean security for themselves and for the Chinese people who had endured years of humiliating aggressions. Political and administrative institutions had to be created throughout a country wherein modern means of transport and communication scarcely existed. Economic and land reforms had to be established in order to lift the cruel burden of want and famine from the suffering millions. Dr. Sun, in his struggle to achieve these goals, was guided by three major principles: San Min Chu-I—Nationalism, Democracy, and the People's Livelihood.

CHALLENGE

The challenge was staggering. Even in the best of times progress would have been slow. Before Dr. Sun's revolutionary programs had progressed very far, China found herself again tragically the victim of Japanese aggression. During the 1930's, an expansionist Japan projected her economic and military power onto the continent with increasing

force. The ensuing warfare sapped the strength of the young Republic, and deferred most hopes of progress for many bitter years. A dangerous internal force, Communism, was taking root in China at the same time. The revolutionary movement dedicated to the alien philosophies of Marx and Lenin now threatened the life of Dr. Sun's Republic from within its borders, even as the Japanese sought to crush it from without. With the attack on Pearl Harbor in 1941, the United States immediately became involved in the rapidly developing global war—with Allied nations resisting Japan in the Far East and the Fascist dictatorship in Europe.

Although the Western Allies decided to concentrate on winning victory in Europe first, they conducted limited operations against the Japanese, helping to some extent the hard-pressed Chinese. As the tide of battle turned against the German-Japanese alliance, however, and when it became clear that the Soviet Union was prepared eventually to enter the war against Japan, the concern of the Western Allies for the fate of China decreased perceptibly. The meager flow of sorely needed supplies that had been brought over the "hump" from India remained a trickle. Sustaining the effectiveness of the ill-equipped, ill-supplied, and often undernourished Chinese forces became an almost hopeless task, in spite of the heroic efforts of the late President Chiang Kai-shek. The miseries of a seemingly endless war had simultaneously strained the social fabric of China, and taxed the energies of her brave people to the outermost limits of endurance.

RUTHLESS PLANS

Meanwhile, the Communists in China pursued their ruthless plans for power and conquest. They made no effort to help their countrymen against the Japanese. Instead, they conserved their strength, and with consummate skill they carried forward a program of subversion and propaganda against the Nationalist Government. When the war against Japan ended in 1945, the Republic of China teetered on the brink of exhaustion. As an additional blow to its morale and strength, the military and economic aid which had been expected from the United States was at the critical moment drastically reduced or cut off entirely. Sensing that the hour of decision had arrived, the Communists struck. Rigidly controlled by their disciplined totalitarian ideology, supported generously by the Soviet Union, and with forces relatively fresh and strong, the Chinese Communists launched an all out military attack against the Republic. Two years later, the entire mainland was in their hands.

FALL OF CHINA

In the quarter century which has elapsed since 1949 the world has constantly sought to explain "the fall of China." A fashionable interpretation, as you know, is content with placing primary blame on the faults and mistakes of the Nationalist regime. Even before the end of the war in 1945, a tendency had grown in the West to dwell on the shortcomings of the Nationalists. By way of contrast, the Communists were portrayed as honorable, efficient, and deserving men who truly represented the interest of the Chinese people. Much but not all of this criticism had its source in the political left. Countless persons of liberal outlook also joined the cry. As the record reveals, I was not unmindful of things which impressed me as weaknesses in the structure and policies of the Nationalist government, nor was I silent concerning them. I tried to serve the Chinese people, both during and after the war, as an utterly straight forward but friendly and constructive critic. However, I always remained convinced that the Nationalist cause was China's best hope, and that its leaders continued to deserve the understanding and firm support

of my government, in fact of democratic regimes everywhere. The relentless oneness of the left-liberal critique therefore struck me as unfair and ultimately self-defeating.

Such personal conviction had not been reached, in a vacuum. My earlier military career had taken me to the Far East for almost a decade during the nineteen twenties and thirties. A tour of duty in Tientsin (1929-31) had provided an especially favorable opportunity to study the history of China, and to follow the course of unfolding events. Among the many Chinese whom I met and admired at that time were the distinguished scholars Wellington Koo and Hu Shih. In 1943, in the midst of World War II, I returned to the Far East. A year later, I was sent to Chungking as Commander of American Forces in China, and as Chief of Staff to Generalissimo Chiang Kai-shek.

In this latter post, the opportunities presented to observe and evaluate the situation in war-torn China were of course exceptional. I travelled widely in those sections of the country not held by the Japanese, including areas under Communist control. I met and talked with most of the Republic of China's senior officials, military and civilian, and with many of the Communist leaders. I conferred almost daily with Generalissimo Chiang Kai-shek, either alone or in the company of members of our staffs, over a period of almost two years. The times were extremely difficult, and the problems we faced often seemed insurmountable. Although differences of opinion sometimes arose between us, they always were resolved in a spirit of mutual respect and good faith. Throughout the entire period, I found the Generalissimo an unfailingly honorable soldier and a staunch ally. His considerable administrative and political abilities were at the same time abundantly apparent. I was greatly impressed, then and later, with the obvious depth and sincerity of his love for the Chinese people. He often spoke to me of his hopes for their future. The programs he envisioned included land reform, industrial development, and a system of universal education aimed at creating the social basis of increasingly democratic institutions.

EXPERIENCES

These, then, were some of the experiences which sustained my faith in the Republic of China. When I shift my attention from the struggles and disappointments of the past to the Taiwan of 1976, I see further support for that faith. This always lovely but previously underdeveloped island has become a picture of heartening success. It has experienced extraordinary growth and transformation. Industries have flourished here through hard work, imaginative management, and increasingly sophisticated technology. The Republic of China has become an important factor in world trade. Its population has multiplied; its educational system has expanded from primary through college levels, the standards of health and prosperity of the people have risen to unprecedented heights. In spite of constant threats to the security of the island, civil liberties have survived, and gradual progress has been made in the direction of representative democracy. These achievements are an impressive testament to the wise leadership and faith of the late President Chiang Kai-shek and of the many able men who have loyally assisted him and successors President C. K. Yen and Premier Chiang Ching-kuo. They epitomize the exceptional vitality and talents of the Chinese people.

LESSONS

I believe, moreover, that the miracle of Taiwan contains lessons of contemporary significance for all the world. It affirms once more the superiority of free over regimented

societies. One aspect that superiority obviously lies in higher economic productivity and greater abundance for all. By contrast with the perennial drabness and deprivation which characterize life in totalitarian societies, standards of living in Taiwan have steadily improved. Far from being "exploitative," as the Communists insist, your economic system gives scope to individual actions and opens a wide door of opportunity for all to prosper.

FACTORS

Although material factors are important, they do not comprise the essential qualities of a free society. More important by far are the opportunities freedom gives one to develop individual destinies and potential as moral beings. Freedom to read, to think, to speak, to practice the religion of our choice, to come and go as we wish, to engage in whatever occupations our talents and interests permit, to equality under the law, to be secure in our persons and property—these are the true and priceless blessings of liberty. Your families and friends on the mainland would tell you that these are precisely the things which are destroyed under Communism. The persecutions suffered by this University under Communist edict in Peking confirm these truths, as does evidence from countless sources around the world. The fact that freedom marches with progress on Taiwan surely suggests "what might have been" on the mainland. That fact must shine forth as a beacon of promise to the millions of Chinese temporarily enslaved in the People's Republic of China.

NEW FORCES

We continue to live in an uncertain and perilous world. New forces have arisen and new adjustments are constantly taking place. The United States has in recent years followed a policy of so-called "detente" with the Soviet Union and the People's Republic of China. This policy, aimed at promoting international stability and peace, has, I am sure, been well-intentioned. Its precise application and tendencies, however, have troubled many observers, including myself. Whether the security of free nations and the cause of peace will be served through "detente" remains to be seen. I speak, of course, as a private citizen, with no official status or sanction whatsoever. For my own part, I unequivocally oppose any policy, any agreements or any action which would result in the loss of one more free man, or an additional square inch of territory, to the domains of Communism.

As we look to the future, it is my fervent wish, and indeed my confident prediction, that the Republic of China will continue to grow in prosperity and freedom. Further trials will be inevitable. And who can say that the reverses of the past shall not, in the fullness of time, prove instruments of perfection? "A gem," Confucius is reported to have taught, "is not polished without rubbing, nor a man perfected without trials." Surely a nation's institutions, like a man's character, can be purified and strengthened by adversity. You, therefore, citizens of the Republic of China—each and every one of you—will, I know, carry on with good spirit, confident in the knowledge that on this island flows the authentic mainstream of the great civilization of China.

REMARKS

Before I close, may I address a few remarks to you, the members of the graduating class. The future of your country—and indeed of all Asia—will be strongly influenced by you. The generation of your grandfathers is passing with the hurrying years; the generation of your fathers now bears the major burden. You and your contemporaries must prepare yourselves with all possible seriousness for the responsibilities that soon will be yours. I speak to the

young women as well as to the men. The world finally is awakening to an awareness of the long unused talents of women and their capacities for advancing human endeavors in all fields.

PATTERNS

I realize that one generation should not—indeed can not—arbitrarily impose its own patterns on the lives of its children. Even in a culture which, like the Chinese, has always honored the past, every generation must develop anew a distinctive outlook and sense of self. Change is inevitable in history; and only by constant renewal and reintegration can life remain dynamic and whole. It is a wise generation, however, which refuse to be swept off its feet by every fashionable shift of doctrine; which refuses, most importantly, to be seduced by the glittering but false promises of radical utopias.

You, the members of the graduating class, are now members of an elite group—eminently qualified to accept any challenge in fulfilling your duties as citizens of the Republic of China. I congratulate you and gladly join your families and friends in wishing you every success and happiness. I am confident that you will create and fulfill opportunities to preserve the dignity, the freedom, and the wholesome progress of your families, communities and country.

CHIANG KAI-SHEK—DEFENDER OF FREEDOM

(By Gen. A. C. Wedemeyer)

On the last day of October, 1887, in the Province of Chekiang, a boy was born who was destined to become one of the great leaders of China and the modern world. We pay tribute to him today. Chiang Kai-shek's forebears had worked the land for centuries, perpetuating the rich heritage of the "Good Earth." When the boy was eight, his father died, and his mother assumed full responsibility for his upbringing. He often recalled his mother's admonition, "All that I pray for you is that you love your country and preserve the good name of your ancestors, who were men of repute." He credited his mother with inculcating a strong moral code, a sense of duty, and the ability to face hardships with stoicism. After studying in the village school, the youthful Chiang went to Fenghua for higher education. Later he went to Japan, and for four years led the Spartan life of a cadet in a Japanese military school. There he came in contact with students who, like himself, were interested in political and social as well as military affairs.

Japan also was the scene of Chiang's introduction to the progressive ideas then agitating his own country. He not only became acquainted with the well-known Chinese revolutionary, Chen Chi-mei, but, by an eventual turn of fate, met and favorably impressed Dr. Sun Yat-sen, Father of the Republic of China.

Dr. Sun Yat-sen's new order envisioned the application of three great principles—San Min Chu-I. The first principle referred to national unity. In order to overcome the forces that had kept China weak and divided, this principle would unify the masses in a spirit of common destiny. The second principle conveyed the importance of "the peoples' sovereignty" or democracy. It affirmed the ideal of universal participation of the people in the affairs of government. The third principle, "the people's livelihood," dealt with increased economic opportunity, an equitable distribution of land, and the development of industry.

The intuitive Dr. Sun, pointing a finger at Chiang, told Chen Chi-mei, "That young man will one day be the hero of our revolution." And so it came to pass, Dr. Sun and Chiang, dedicated to the three noble principles, San Min Chu-I, collaborated as joint architects and builders of the New China.

Dr. Sun in the role of philosopher and theoretician, Chiang in the role of strategist and doer.

The aims of the movement, as laid down in the three principles, were ambitious ones and worthy of the great humanistic traditions of East and West alike. To achieve these aims, however, in the context of the time and place, and under the politically fragmented conditions prevailing half a century ago in China, was a task of superhuman dimensions.

It was under such conditions that Dr. Sun and Chiang Kai-shek launched their program to implement the three principles—San Min Chu-I. Until 1925 they worked effectively in eliminating or gaining the support of the majority of powerful and independent war lords. Further, they boldly countered the sinister political influence of Russian Communists who had been accepted as purely military advisors.

After the untimely death of Dr. Sun in 1925, Chiang alone bore, with courage and dedication, the burdens of leadership. He instituted many constructive programs, always within the framework of Sun Yat-sen's three principles. Progress was notable—so much so that throughout the Far East the period 1927-1937 was often referred to as "the Golden Decade."

Tragically, all of these constructive steps were abruptly halted in 1937. The Japanese, determined to prevent the development of a strong, unified government in China, and aware of China's military weakness, created an incident that inexorably led to war. For four embattled years, Chiang and his people fought bravely. They were no match, however, for the modern, well-equipped, and numerically superior Japanese invaders, who advanced steadily. All the seaports and communications in the eastern third of the country were soon overrun by the enemy. China's future was bleak. Then in December, 1941, the Japanese attacked Pearl Harbor, an event which dramatically changed the entire array of forces in the Far East. The hard-pressed Chinese were no longer isolated in their struggle against aggression. The war had expanded to global dimensions.

President Roosevelt and Prime Minister Churchill enthusiastically accepted Generalissimo Chiang as a co-equal partner, and he was designated the Supreme Commander for the Allied Powers in the Far East. America and Britain began to send military supplies which, though limited in quantity, greatly heartened the Generalissimo and his people. Crisis after crisis occurred as Japanese aggression continued. None the less, the Chinese kept fighting—even when the Japanese, alarmed by early American successes in the Pacific, twice offered the Generalissimo very favorable terms of peace. If he had accepted those peace terms, more than a million veteran Japanese soldiers who were fighting in China could have been released for immediate employment against American forces under Admiral Nimitz and General MacArthur.

Chiang attended the Cairo Conference in 1943 as a member of the Allied Big Four. It should be emphasized that Stalin was not present. During the deliberations, Mr. Roosevelt and Mr. Churchill unequivocally recognized Chinese sovereignty over Manchuria, Taiwan and the Pescadores. After one of the sessions in Cairo, I heard President Roosevelt describe Chiang Kai-shek as a man of great courage and vision, with a remarkably keen understanding of the problems of today and tomorrow.

The next conference of Allied leaders occurred almost two years later at Yalta. Chiang was not invited—nor was China represented. Completely repudiating the Cairo understanding regarding China, the conferees at Yalta granted the Soviet Union 50% control of the Chinese Eastern Railway in Manchuria, and control of the Chinese terri-

tories of Port Arthur and Darien. Chiang was subsequently informed and reluctantly accepted these decisions, bitter and humiliating as they were. His foreign policy had uniformly been based on cooperation with and reliance on the United States, China's traditional friend.

After eight long years of debilitating war, the Japanese were decisively defeated. Unfortunately, the victory celebration in China was short-lived. Chiang and his Nationalist forces were immediately confronted with another serious threat, the Chinese Communists. The Communists had not contributed to the defeat of Japan, but had used the long crisis to arm themselves, with the support of the Soviets, in preparation for the eventual seizure of power. Now in the hour of victory they struck. It soon became apparent to the Generalissimo that his government—which withstood for many years the savage attacks and exploitation at the hands of the Japanese—was no longer able to withstand the new onslaught. Weakened and demoralized, he and his loyal followers withdrew to the island stronghold of Taiwan and established a government in exile.

Today Taiwan exists as a showplace of freedom in the Far East. The same rehabilitation program which President Chiang had envisaged for mainland China at the close of World War II was promptly inaugurated on Taiwan. This program included land reform, compulsory education for all children, a modernized, well-trained army, and universal suffrage. Today the seventeen million people on Taiwan enjoy freedom, prosperity, and the unimpaired opportunity to exercise their God-given talents. Millions of Chinese have defected to Taiwan and elsewhere in the free world from mainland China, while millions more hopefully await their release from bondage and the opportunity to enjoy the freedom of San Min Chu-I.

May I briefly recount my personal experience with Generalissimo Chiang Kai-shek during nearly two years of almost daily association as his Chief of Staff and American Commander. During the closing years of World War II, and several months thereafter, China experienced many problems, both military and diplomatic. During these difficult times, my respect and esteem for President Chiang as a gentleman, as a patriot, and as a dedicated leader steadily grew. People really come to know each other when they strive together to turn the millstones and grind out the decisions where the lives, the destinies, and the treasure of a nation are involved.

I pay tribute to this great man, Chiang Kai-shek, with deep and abiding sympathy for his bereaved widow and loved ones, and for the Chinese people. They, and we, have lost a friend who symbolized the hope of millions of liberty-loving people throughout the world.

Chiang knew that human freedom was the foundation on which the modern state must be built, just as he knew that in the larger sphere of international relations, where there is freedom, there is little danger of war and a greater possibility of peace. He once wrote:

"If when I die I am still a dictator, I will certainly go down into the oblivion of all dictators. If, on the other hand, I succeed in establishing a truly stable foundation for a democratic government, I will live forever in every home in China."

It was not given to him, during his life, to establish such a foundation on the mainland of Asia. Who can doubt, however, that he laid a cornerstone of freedom on Taiwan, a foundation upon which future generations can build with confidence?

A TRIBUTE TO THE FATHER OF OUR COUNTRY
AND THE 56 SIGNERS OF THE DECLARATION OF
INDEPENDENCE

(By Gen. A.C. Wedemeyer)

It is a pleasure to join neighbors and friends in celebrating the 200th birthday of

our beloved country. For most Americans the Fourth of July recovers valued memories of fireworks, parades and political oratory. If you lived in a small town, as I did, the glorious Fourth meant a double-header played on a local sandlot, after which there were picnics with hot dogs, homemade ice cream and watermelon. Today across the nation millions of fellow Americans are celebrating in various ways our nation's birthday and commemorating the signing of the Declaration of Independence.

In Maryland there were four signers of the historic Declaration: Charles Carroll, Samuel Chase, William Paca, and Thomas Stone. With pride we honor those courageous sons of Maryland; in fact we pay tribute to all of the men who had the courage and dedication to sign that momentous document. With a firm reliance on the protection of Divine Providence, those men proclaimed, "We mutually pledge our lives, our fortunes, and our sacred honor." Back in England, King George III was infuriated. He immediately denounced every signer as a traitor. Throughout the thirteen colonies they were continuously hunted down as criminals by the King's representatives.

There were 56 men who signed the Declaration of Independence. They were all men of stature—lawyers, teachers, merchants and farmers. The British Government offered each signer rich rewards and complete amnesty if he would but break his pledged word, renounce the Declaration of Independence, and publicly acclaim allegiance to His Majesty King George III. Not one signer changed his courageous stand in the struggle for independence, even during the darkest hours of the Revolution. Of those 56 brave men, 9 died of wounds or of severe hardships; 8 were imprisoned and subjected to terrible brutalities; the wives, sons and daughters of some were jailed, persecuted and, in one instance, a wife was killed; the homes of 12 were burned to the ground. That gallant band of patriots understood what it means to pledge one's sacred honor.

In June 1775 the British Redcoats at Lexington. But more than a year elapsed before effective steps toward separation from England became a reality. Allegiance to the autocratic King of England ended with the signing of the Declaration of Independence on July 4, 1776.

Many of the Colonials were proud to be considered British subjects. Consequently they experienced mixed emotions comparable to those which occurred in America just before our Civil War. Loyalties were severely tested and friendships strained. In many cases families were divided. Some of the American leaders, including Washington, Adams and Franklin, had kinsmen among the Tories or Royalists. All the bonds of memory which bring loved ones and friends together were traditionally connected with English names, places and events. However, the sudden appearance of a remarkable pamphlet published by Thomas Paine, titled "Common Sense" served as a catalyst and, perhaps more than any other factor, strengthened the resolve of the majority of the people to fight for independence. In a letter to a friend, George Washington expressed his horror at the prospect of fraternal conflict, then added, "Can a virtuous man hesitate in his choice?"

Immediately after his appointment as Commander-in-Chief, Washington conducted a survey of the over-all situation. He knew that the British forces greatly outnumbered his own and, further, that they were well-equipped and trained. Accordingly he decided to play for time so that he could mobilize, equip, and train additional forces. He decided whenever possible to avoid decisive, large-scale operations and resorted to guerrilla tactics, making surprise attacks against the enemy's flanks and rear, thereby limiting the British freedom of maneuver. Washing-

ton experienced considerable difficulty in obtaining action by the Continental Congress. Repeatedly he requested more men, money and materials. The wretched condition of his army at Valley Forge particularly reflected the neglect, or at least the inability, of the members of Congress to comply promptly and adequately. An English officer reported that the Americans who had captured him were upstanding men—slender, wiry, and of fine military bearings, but he noted that they were poorly armed. A French observer reported their ragged appearance but emphasized that they had plenty of courage. The professional military leaders from Europe who were voluntarily helping the Americans, including Lafayette, Kosciuszko, Pulaski and von Steuben, expressed the opinion that no European Army would have endured the hardships experienced by our soldiers in the Continental Army.

Von Steuben received a letter from Berlin asking how the American soldiers compared with the Germans. He replied, "They compare favorably with any soldiers in the world," pointing out that they were brave, energetic and self-reliant. He emphasized, however, that "There is one fundamental difference between the American soldier and the German. The American invariably wants to know why he is ordered to do something, and if he isn't told why, he wants to know why he isn't told why."

The lack of transportation and communications throughout the colonies added to General Washington's difficulties in training and supplying the soldiers. Land transportation, for example, by stagecoach was exhausting and unpredictable. The dispatch of messages was understandably slow and often unreliable. From the beginning of the war, the British controlled the sea and blocked every Atlantic point of entry. During the winter of 1780-81 when American morale was at its lowest ebb, George Washington was constantly pleading to the Congress for desperately needed men, food, equipment and munitions. The members of the Continental Congress were sympathetic, but they had difficulty in taking concerted action quickly. Their dilemma was much the same as Abraham Lincoln's in the early stages of our Civil War. At that time Congress dared not draft men or approve huge outlays of money without the consent of the people they represented.

Fortunately, in the late summer of 1781, the members of Congress made generous provisions for additional men, equipment, munitions and clothing. Also there was most heartening news from abroad. Persuaded by Benjamin Franklin, King Louis XVI of France decided to dispatch a large naval force to American waters, including 20 battleships under Admiral de Grasse and also 7,000 French Regular Army troops under General Rochambeau. The British General Cornwallis had assembled a very strong force at Yorktown, Virginia. Washington boldly exploited this, his first opportunity for decisive, large-scale action. While French warships effectively contained the British along the Atlantic coast, Generals Washington and Rochambeau converged their forces on Cornwallis in Virginia. The British were surrounded. There were gallant sorties and counterattacks. On the 19th of October, realizing that further resistance would be useless, the British General Cornwallis surrendered. A dispatch to the Continental Congress in Philadelphia, announcing the greatest victory of the war, arrived at 3 a.m. on October 22nd. Windows flew open, candles were lighted, and bonfires appeared. Excited citizens in their night-clothes poured into the streets and embraced one another. Congress assembled in the morning and attended a service of thanksgiving. The victory news spread. It was one month later, however, before the British Prime Minister, Lord North, received the news of the Cornwallis sur-

render. He immediately dispatched a message to King George, stating, "Sire, it is all over," expressing also the futility of further fighting.

The British people were glad to end the fighting, for they had been at war not only with the American colonies but with France, Spain, and the Netherlands. Throughout Europe the creation of a new American Republic was hailed with enthusiasm. Many felt that the American colonies' victory had saved England from a king who was becoming a royal despot. The English historian, Lord Acton, stated, "It was from America that the plain ideas were revealed with emphasis that men ought to mind their own business, and that a nation can never abandon its fate to an authority it can not control." The historic result—no subsequent British monarch ever aspired to the power that King George III exercised between 1774 and 1781.

In the colonies, following widespread celebrations of victory, the people and the Continental Congress applied themselves in forming a truly representative government—establishing law and order, and promoting trade at home and abroad. The veterans of the Continental Army, who had fought so bravely and well under General Washington, now have sought their prompt discharge and return to their homes. Unfortunately, the Continental Congress had failed to appropriate money for their pay due and for the bounty and clothing they had been promised. This resulted in considerable unrest and disillusionment. Senior and junior officers throughout the Continental Army—loyal to their soldiers—strongly appealed to members of the Congress and to the people in general. Secret meetings were held, and there were even suggestions that the Continental Congress be bypassed and a monarchy be established at once with George Washington as King. The reaction of General Washington to the suggestion that he now be made King was swift and unequivocal. He announced, "If you have any regard for your country, concern for yourself or posterity, or respect for me, banish such thoughts and never communicate to anyone a sentiment of like nature." George Washington's strong opposition to a monarchy or to the establishment of him or anyone else as King met with enthusiastic acclaim throughout the thirteen colonies.

The Continental Congress finally made provisions for the soldiers, including their back pay, bounty and clothing, the victorious Continental Army was demobilized. After bidding his soldiers and friends a fond farewell, Washington returned to his plantation at Mount Vernon, Virginia. It was inevitable that he would be called upon again to participate in the convention at Philadelphia, called in 1787 to revise the Articles of Confederation and to forge a new government under a Constitution.

In 1789 the Constitution was approved by the thirteen colonies. George Washington was then unanimously chosen as the first President of the United States. Serving eight tempestuous years with dignity and wisdom, he was strongly urged by his grateful countrymen to continue as Chief Executive for a third term. However, he gracefully withdrew from such consideration, and in his farewell address to the people he urged the continued support of the Constitution.

In paying tribute to early Americans, we invariably place George Washington in the highest role as Father of Our Country. Throughout the long struggle for independence, he proved to be a peerless leader on the battlefield as well as in the political forum. He exhibited fortitude and courage under conditions more difficult than any American leader experienced throughout our history. His natural dignity, patience and calm demeanor inspired the trust and respect of his fellow men.

This tribute to George Washington would not be complete without emphasizing his loyalty—his deep feeling of respect and affection—for his comrades in the Army and for those gallant patriots and steadfast citizens who supported him in the struggle for independence. If he were present today, I believe he would want us to pay special tribute to Adams, Jefferson, Franklin, Hamilton, Madison, and the many other true patriots who rendered outstanding public service in the colonial period.

While we are setting off the fireworks and staging all of the reenactments, there is one thing we must all remember. That is the source of our American traditions. More than 100 years ago a brilliant young French philosopher, Alexis de Tocqueville, came to America in search of the genius that made it a great nation. After visiting various places in the country, he wrote substantially as follows: "I came to America to search for her greatness. I did not find it in her legislative halls nor in her courts of justice. I did not find it in her libraries, art galleries or institutions of learning. I did not find it even in her Constitution, as noble as that document is. Nor did I find it in other historical documents. I found America's greatness in her pulpits, flaming with righteousness. America is great because America is good. When America ceases to be good, America will cease to be great."

That young Frenchman was not expressing an original thought—simply his impression of our country 100 years ago. He was paraphrasing a prophet of old who said, "Righteousness exalteth a nation, but sin is a reproach of any people." If ever a nation needs to remember its origins and traditions, its basic founding principles, it is the United States of America in this year of 1976.

PRELIMINARY NOTIFICATION PROPOSED ARMS SALES

Mr. HUMPHREY. Mr. President, section 36(b) of the Arms Export Control Act requires that Congress receive advance notification of proposed arms sales under that act in excess of \$25 million or, in the case of major defense equipment as defined in the act, those in excess of \$7 million. Upon receipt of such notification, the Congress has 30 calendar days during which the sale may be prohibited by means of a concurrent resolution. The provision stipulates that, in the Senate, the notification of proposed sale shall be sent to the chairman of the Foreign Relations Committee.

Pursuant to an informal understanding, the Department of Defense has agreed to provide the committee with a preliminary notification 20 days before transmittal of the official notification. The official notification will be printed in the *Record* in accordance with previous practice.

I wish to inform Members of the Senate that such a notification was received on August 11, 1976.

Interested Senators may inquire as to the details of this preliminary notification at the offices of the Committee on Foreign Relations, room S-116 in the Capitol.

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I wish to inform Members of the Senate that such a notification was received on August 13, 1976.

Interested Senators may inquire as to the details of this preliminary notification at the offices of the Committee on Foreign Relations, room S-116 in the Capitol.

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posed sale shall be sent to the chairman of the Foreign Relations Committee.

Pursuant to an informal understanding, the Department of Defense has agreed to provide the committee with a preliminary notification 20 days before transmittal of the official notification. The official notification will be printed in the RECORD in accordance with previous practice.

I wish to inform Members of the Senate that five such notifications were received on August 17, 1976.

Interested Senators may inquire as to the details of this preliminary notification at the offices of the Committee on Foreign Relations, room S-116 in the Capitol.

PRELIMINARY NOTIFICATION PROPOSED ARMS SALES

Mr. HUMPHREY. Mr. President, section 36(b) of the Arms Export Control Act requires that Congress receive advance notification of proposed arms sales under that act in excess of \$25 million or, in the case of major defense equipment as defined in the act, those in excess of \$7 million. Upon receipt of such notification, the Congress has 30 calendar days during which the sale may be prohibited by means of a concurrent resolution. The provision stipulates that, in the Senate, the notification of proposed sale shall be sent to the chairman of the Foreign Relations Committee.

Pursuant to an informal understanding, the Department of Defense has agreed to provide the committee with a preliminary notification 20 days before transmittal of the official notification. The official notification will be printed in the RECORD in accordance with previous practice.

I wish to inform Members of the Senate that such a notification was received on August 19, 1976.

Interested Senators may inquire as to the details of this preliminary notification at the offices of the Committee on Foreign Relations, room S-116 in the Capitol.

CONCLUSION OF MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Is there further morning business? If not, morning business is closed.

POSTAL REORGANIZATION ACT AMENDMENTS OF 1976

The ACTING PRESIDENT pro tempore. At this time, under the previous order, the Senate will resume consideration of H.R. 8603, the unfinished business, which the clerk will state by title.

The second assistant legislative clerk read as follows:

A bill (H.R. 8603) to amend title 39, United States Code, with respect to the organizational and financial matters of the United States Postal Service and the Postal Rate Commission, and for other purposes.

The Senate resumed the consideration of the bill.

Mr. FONG. Mr. President, I ask unanimous consent that Mr. Larry Nakatsuka

of the Post Office and Civil Service Committee staff be granted privilege of the floor.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. McGEE. Mr. President, in the same context, I ask unanimous consent that privilege of the floor be granted the following staff people and committee members of the Post Office and Civil Service Committee: Joe Jacobson and Steve Merrill.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

UP AMENDMENT 365

Mr. McGEE. Mr. President, I send to the desk three technical amendments and ask unanimous consent that they be agreed to en bloc.

The ACTING PRESIDENT pro tempore. The amendments will be stated.

The legislative clerk read as follows:

The Senator from Wyoming (Mr. McGEE) proposes three technical amendments, unprinted amendment No. 365.

The amendments are as follows:

On page 33, line 18, strike out "compensation" and insert in lieu thereof "compensation".

On page 33, line 21, strike out the colon and insert in lieu thereof a semicolon.

On page 34, line 1, strike out "subparagraph" and insert in lieu thereof "Subparagraph".

The ACTING PRESIDENT pro tempore. Without objection, the amendments are considered en bloc.

The amendments were agreed to en bloc.

Mr. McGEE. Mr. President, I wish to take just 4 or 5 minutes to lay before the Senate the pending legislation with a brief statement in regard to what it is we have here that is being presented and what the conditions are that produced it, because therein hangs the real explanation of the business at hand and our procedures in coping with it.

Mr. President, in January of this year in a statement on the Senate floor, I invited the attention of Members to S. 2844, a bill which I sponsored as a vehicle for restoring the fiscal stability of the Postal Service. After 7 days of public hearings during the winter and spring, numerous discussions among members of the Senate and House Post Office and Civil Service Committees, the Postmaster General and representatives of the Office of Management and Budget, S. 2844 evolve considerably in its provisions as various options have been weighed and considered.

On June 11, 1976, the committee approved S. 2844 by a vote of 8 to 1 and ordered favorably reported to the Senate. H.R. 8603, a House-passed postal bill amended to contain only the language of S. 2844 which the committee agreed to. This measure, representing the sometimes diverse views of those concerned, goes a long way toward resolving the major problems of the Postal Service; and it lays the groundwork for followup legislation next year.

First, H.R. 8603, as reported by the committee, addresses itself to the immediate financial problems of the Postal Service.

Between 1972 and 1975, the Postal Service accumulated a deficit of \$1.6 billion. The estimated deficit for fiscal year 1976 is \$1.4 billion and for the transitional quarter, \$425 million, making a total at the beginning of fiscal year 1977 of \$3.4 billion. The Postal Service estimates that the deficit for fiscal year 1977 will amount to another \$1 billion.

The bill authorizes the appropriation of \$500 million for Postal Service use in fiscal year 1977; and another \$500 million for its use in fiscal year 1978.

As it provides financial relief to the Postal Service, the bill also gives the mail user a respite from increased postal rates and service cuts which have had an unsettling effect upon the Nation's communication system during the past several months. Specifically, beginning on the date on which the first \$500 million authorized is actually appropriated until February 15, 1977, the Postal Service may not have in effect any permanent or temporary rate increases.

Further, under the bill, the Postal Service may not provide levels and types of service less than the levels and types provided on July 1, 1976; and it may not close any post office where 35 or more families regularly receive their mail.

Finally, the bill provides that during the period of the moratorium—from the appropriation date until February 15, 1977—the Postal Service will be required to provide door delivery or curbside delivery to all permanent residential addresses, other than apartment building addresses.

Part and parcel of the moratorium on rate increases and service cuts is the establishment by the bill of a Commission on Postal Service, members of which would be appointed 15 days after the date of enactment to serve until February 15, 1977. The 12-member Commission would be required to identify and study the problems facing the Postal Service and recommend to the President and the Congress actions to be taken to resolve those problems. The Commission would not be limited to any particular subject areas, but it is anticipated that rates, appropriate service levels, modes of residential delivery, procedures for financing the Postal Service, and means of retiring the postal deficit would be among the subjects reported upon by the Commission.

A further important provision of the bill is the requirement that 10 months must elapse between rate increases. Under current law, the Postal Service may impose temporary rate increases if the Postal Rate Commission does not issue a recommended decision on permanent rates within 90 days after a request is made. Under H.R. 8603 as reported by the committee, the Postal Service would be required to allow the elapse of 10 months after making its request before it could impose temporary rates. Since the Commission is mandated to issue its recommended decision within 10 months by the bill, it is possible that temporary rate authority will not be utilized.

Thus, in addition to its financial support of the Postal Service, the bill also offers substantial relief to the ordinary user of the mails—a moratorium until February 15, 1977, on rate increases and

service cuts and permanent relief in that 10 months must elapse before any rate increases can be imposed. It is my belief that these benefits to the mail user will provide a stability to the Postal Service which will be further enhanced by the substantial monetary appropriations authorized.

Mr. President, as committee hearings progressed this year and as exploration of an increased appropriation for the Postal Service continued, no witness opposed the additional appropriation provision, except the Office of Management and Budget. As committee consideration proceeded, however, Senator Fong and I kept open the lines of communication between the committee and the OMB. After compromises on both sides, OMB accepts the provisions of H.R. 8603 as reported by the committee, agreeing to the two \$500 million authorizations already described, to the moratorium, and to the establishment of the Commission on Postal Service.

It is my understanding and I believe that of Senator Fong that if H.R. 8603 is enacted in a form substantially similar to the provisions reported to the Senate by the committee, the President will not veto the bill and OMB will transmit a request to the Congress from the Postal Service for the funding authorized. As part of our negotiations with OMB, we included members of the leadership of the House Post Office and Civil Service Committee, who have participated in many of our discussions with OMB. We are aware of no serious objection on the part of the House committee leadership to the major provisions of H.R. 8603 as it has been amended by the Senate committee. In short, Mr. President, the committee recommends to the Senate a viable measure which has broad support in both Houses and in the executive branch. I urge Members to support it in its present form.

At its inception in July of 1971, the Postal Service had assets of \$3.4 billion, with a capitalization balanced between liabilities of \$1.7 billion and equity of \$1.7 billion. It will end fiscal year 1977, in the absence of relief, with an accumulated deficit of approximately \$4.5 billion.

If the Postal Service were truly a business, this parlous fiscal condition would spell almost certain bankruptcy. But the Postal Service is not a business. Although it was intended that the Service would use modern business methods in organizing its activities, the Congress, in the Postal Reorganization Act of 1970, specifically provided that:

The United States Postal Service shall be operated as a basic and fundamental service provided to the people by the Government of the United States, authorized by the Constitution, created by Act of Congress, and supported by the people.

Some of the reasons for the fiscal problems of the Postal Service were provided by the Postmaster General in his testimony before the Committee. He said:

One major factor has been a breakdown in the ratemaking process established under the Postal Reorganization Act. In September, 1973, the Postal Service filed its application for a 10-cent first-class stamp. Had this rate been approved in a reasonable time, we would have been able to obtain a 13-cent first-class

stamp when it was needed—in July, 1975. Instead, we were forced to wait for this essential increase until late December. Had we been able to obtain a 13-cent stamp last July, we would not have the better-than-a-billion-dollar deficit we have already accrued this year.

As I have described, H.R. 8603 as reported by the committee obviates this problem by requiring that the Rate Commission make its recommended rate decision within 10 months. In the most recent rate case, the Commission, under the able leadership of its Chairman, Clyde DuPont, has demonstrated the feasibility of the new time limitation. The Commission made its latest determination of 9½ months.

The Postmaster General continued:

The increased cost of energy has hastened the rise of postal costs. Our public service appropriation, fixed at \$920 million per year, has declined in real value. Clearly a substantial factor in the accumulation of the deficit is a reduction in the funds appropriated since Fiscal Year 1971. Total appropriations to the Postal Service for Fiscal Year 1975 came to about \$1.53 billion, which was less than 12 percent of the cost of running the postal system. In contrast, for the last year of the old Post Office Department, Fiscal Year 1971, the Congress pumped almost \$2.2 billion into the postal system, which was over 24 percent of the cost of running the system.

Postmaster General Bailar said:

I suggest to you today that any emergency legislation reported by the Committee should have two basic components—the creation of a group to study issues related to postal service, costs, and funding, and the authorization of appropriations to assure adequate postal financing for the life of the study group."

Essentially, the committee has followed his recommendation.

Mr. President, in March of 1974, the Post Office and Civil Service Committee published a report on the committee's investigation of the Postal Service. The report was issued in accordance with Senate Resolution 61, which authorized an intensive investigation on the part of the committee, an investigation occasioned chiefly by the breakdown of postal services in the Christmas season of 1972. One of the findings of the committee's 1974 report:

If the postal system is going to maintain service at levels which are compatible with what the public can reasonably be expected to pay, it will probably be necessary for the Congress to provide a greater degree of support through Treasury financing than was envisioned in the original provisions of the 1970 Act.

H.R. 8603 as reported by the committee responds to that finding.

The Postal Service as currently organized under the Postal Reorganization Act as an independent Government agency is in need of no radical revisions or reorganizations. Given the breathing space which this bill would provide, the Postal Service under its present organization provides a sound structure on which it can continue to build. In testimony before the committee, the General Accounting Office addressed itself to the question of whether the Congress should "take back" the Postal Service. GAO expressed the hope that the Congress would not lose sight of the problems plaguing the old Post Office Depart-

ment which of course was under close congressional surveillance.

Then GAO cited the following as among those problems: A severe inability to obtain capital for needed improvements resulting in excess costs and service deficiencies; a lack of incentive to control operating costs when losses are routinely covered by appropriations; and an inability to take reasonable risks for new products, in research, new equipment and facilities; and lack of customer orientation.

GAO continued:

The Postal Reorganization Act created the Postal Service as an independent agency in an effort to overcome these problems. As a result, the Service:

Has been able to obtain the capital needed to upgrade its plant and equipment,

Possesses a strong incentive to control costs because of the need to live within its own resources while keeping postage rate increases to a minimum,

Has taken risks in offering new products and developing new equipment, and

Does have a decided desire to please its customers.

The Service has had problems, but of a different nature. In weighing the need to undo the Postal Reorganization Act because of them, we hope the Congress will consider the advantages of the Service's present independence.

Mr. President, I hope the Senate will pass H.R. 8603 as reported.

Last winter, the Senate Post Office and Civil Service Committee began a series of extended hearings on the fiscal plight of the Postal Service, that plight being simply that its indebtedness was steadily mounting.

The reason for the deficit in the Post Office was explained by the Postmaster General and ultimately verified by the GAO in its investigation of the problem as deriving from two factors: One factor, perhaps the largest single factor, was inflation. In the Postal Reorganization Act of 1970 we failed to make an allowance for double digit inflation. The result is that the public service formula was fixed at an arbitrary figure of \$920 million instead of being adjusted to the inflationary factor. Thus, the 40 to 45 percent inflationary factor at all levels that swept through the private sector as well as the public sector had disastrous consequences for the Service.

The second factor that seems to be beyond doubt had to do with the slow rate of the rate adjustment process. Under the Postal Reorganization Act of 1970 a Postal Rate Commission was set up for the first time to accept requests for postal rate changes, to hear the litigants discuss the merits of those changes, or demerits, whatever the case may be, and then to make adjustments. The time it took in this new process, breaking new ground, setting precedents, was much longer than had been anticipated when the Commission had been created. The result was that the relevance of rate adjustments to the very sharp increase in cost of all facets of the Postal Service was lagging far behind the realities of cost changes. Therefore, those two factors explain the substance of the steadily mounting postal deficit.

The committee's hearings were aimed at adjusting the mechanism by modern-

izing the Postal Rate Commission, updating it, and at the same time assisting in closing that inflationary gap of the past 6 years with a direct appropriation that would total, at the time, about \$3 billion. The proceedings along those lines were open to amendment. There were other members of the committee who had constructive and thoughtful amendments pending to go further than some envisaged was required at the time.

The roadblock we encountered very quickly was the determination on the part of the White House to oppose any subsidy allocations for the Postal Service. It simply reflects a difference in philosophy of what the post office system is all about. There are many of us who believe very strongly that there is a public service factor and a national interest factor. There are many post offices in the United States that cannot pay their own way, and it was felt unwise to force others who use the post office to carry the load in a direct way in rates. It was felt it was worth a great deal to the people of the United States and the Government of the United States to have a national postal system, as George Washington said when it was created, that would serve as a chain binding us all together in one Nation.

Indeed, there is that ingredient present. But there are those still among us, and those at the other end of Pennsylvania Avenue, who believe that the Postal Service ought to be converted into a business and made to pay its own way. That is the gap in the operation of the system.

We were advised that if there were to be a subsidy bill passed closing the post office indebtedness and increasing its subsidy allowance for public service, it would encounter a veto at the White House.

We examined this prospect very realistically in regard to the committee itself. We sought to measure the implications in regard to Postal Service around the country. The Postmaster General, for example, without the subsidy money, would have to find other funds to meet his payrolls and to keep some kind of Postal Service in operation. Part of that process involved closing small post offices. That was impending by July 1. A few post offices had already been closed in the late spring.

It also involved consideration of cutting back postal services, the number of deliveries a day, the number of days a week that mail would be delivered and that sort of thing.

Because of the furor that created in the ranks of Members of the Congress, we made a basic decision in the committee that we had to at least achieve some kind of stability and remove the uncertainty about what was going to happen to the Postal Service as well as to the closing of post offices in a year in which most Members had only marginal time to devote to the full consideration of the question.

It was then that Senator FONG, the ranking minority member of the Post Office Committee, and I, representing the committee, sought to find some kind of common ground or formula by which we could keep the post offices going, avoid

new rate increases and postal service cutbacks and, at the same time, assist the Postal Service in meeting its financial problems.

The upshot of that was an agreement worked out in the name of the White House by the Office of Management and Budget with our colleagues and the leadership in the House of Representatives, with the Postmaster General, whose task it is to manage this difficult operation, and with the Senate committee. What was put together was the basic package that it represented in the bill which is the pending business at the present time. That package is to leave in the one proposed recommended change or modification in postal reorganization that all sides involved agreed was a good one, which was to speed up the Rate Commission's procedure and confine it within an interval of 10 months for any particular proceedings. This, in itself, if I may inject, would have made it possible for the post office to have operated in the black for at least 2 of the last 3 years had the requests for rates that were ultimately granted been settled within the 10-month interval.

We think it is an important improvement. Due to the general unanimity of the importance of speeding up that rate-making process this has been left in the pending legislation by agreement as a basis of the understanding with the White House, with the House, with the Postmaster General and certainly with the Senate committee.

So the rest of the agreement, Mr. President, says that there will be a moratorium on any new rate increases that will take effect otherwise between now and February 15, and a moratorium on further significant cutbacks in postal services for that same interval of time, February 15, 1977; that the White House, in addition, will agree to the payment of \$1 billion toward the postal indebtedness to be paid out in two increments of \$500 million each to represent a bona fide attack on the problem of the postal deficit.

Finally, a Commission on the Postal Service would be appointed to examine the public service factor, the levels of service factor, the rural post office factor, all facets of the post office problem, a Commission that would be made up of 10 appointed members, 3 by each House of Congress, 4 by the President, with the chairman to be designated among the President's 4, plus 2 ex officio members, the Postmaster General and the Chairman of the Postal Rate Commission, as the ongoing experts in the functioning of the Postal Service at the present time; and this Commission would be prepared to take the reports already made, which are voluminous, collate them, and make their recommendations to the President and to the Congress in these various fields by the 15th of February next winter, 1977.

At that point, once those recommendations are received, Congress would then proceed to legislate its will about any restructuring, redoing, undoing, reversing, or whatever it may be in regard to the Postal Service of the United States.

To be realistic about it, Mr. President,

this means that if the basic structure of the existing reorganization plan in the postal system is tampered with at this time, we have been made to understand that it will be vetoed. If it is vetoed, it is the best judgment that we can get from the leadership of both Houses that an override of that kind of veto could not be achieved. So what we are facing is accepting a compromise that we believe to represent the art of the possible, that can stabilize and make more steady the uncertainties in the postal system during the remainder of this current calendar year and 6 or 7 weeks into the new calendar year beginning next January.

The reason why that is important is that we are all caught up in the throes of the impending election. Congress is running into a very crowded agenda, and must recess or adjourn in time for campaigning on the part of many of its Members, all this cast against the backdrop of a Presidential contest of significant dimensions which is likewise going on around us.

In the hope of avoiding the spasms of panic, haste, ill-consideration, or insufficient consideration, we thought it wise to recommend this compromise to the Senate—a compromise that the leadership in the House of Representatives has agreed to accept as a substitute for an earlier House bill on this general proposition—and that we use that compromise as a stability factor until we can open up the entire question, no holds barred, after the agreed-upon date of February 15, and undertake its consideration with sufficient time to explore the many ramifications and cross-currents at stake.

It is the position of the Post Office and Civil Service Committee that this body should view understandingly the necessity of this particular step. None of us are proud of the compromise. I am on many other kinds of amendments and many sorts of proposed changes in the system myself, as sponsor or cosponsor. But I firmly believe it is wise for this body to accept the temporary compromise in order that we might proceed to address ourselves fully to the problem without any limitations when we return after the election year politics. I think we have a responsibility that ought to require us to do that. I think we would have a better chance to do whatever we decide to do with a larger measure of wisdom and with the necessary time to doublecheck our feelings in regard to it.

So, Mr. President, that is the pending measure that we have before us.

Mr. RANDOLPH. Mr. President, will my able colleague, the chairman, yield?

Mr. MCGEE. Yes, I am glad to yield to the Senator from West Virginia, really the ranking member of the committee, and almost the founding father of this committee, if I may say so.

Mr. RANDOLPH. Mr. President, I am appreciative of the cooperation of the able chairman of our committee (Mr. MCGEE). At this time I wish to indicate that I shall offer an amendment to establish procedures for any closings of post offices. This provision would be effective after the expiration of the moratorium, as contained in the committee bill which is brought to the floor today.

I am aware, of course, of the fact that in a partial response to my request—though not in total—we did elicit and receive from the Postmaster General a letter on post office closings which I am sure would be helpful to have included in the record.

Mr. McGEE. Let us make that a part of the record at this point.

Mr. RANDOLPH. Thank you.

Mr. McGEE. I ask unanimous consent that the letter from the Postmaster General be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE POSTMASTER GENERAL,
Washington, D.C., June 10, 1976.

HON. GALE MCGEE,
Chairman, Committee on Post Office and
Civil Service, U.S. Senate, Washington,
D.C.

DEAR MR. CHAIRMAN: In analyzing the latest draft (Committee Print No. 5) of the proposed Postal Reorganization Act Amendments of 1976, I note a provision imposing a moratorium on the discontinuance of any post office where 35 or more families regularly receive their mail. This moratorium would be effective if the appropriation authorized for Fiscal Year 1977 were made available to the Postal Service.

Obviously your concern for the future of small post offices is as great as mine. Also, I know of Senator Randolph's deep and abiding interest for the future of small post offices in West Virginia and elsewhere as evidenced by this sponsorship of S. 3082. It is out of my awareness of the importance of this matter to so many interested parties that I write to you to indicate that the Postal Service clearly will consider the moratorium provisions in S. 2844 as a very strong expression of Congressional intent.

Mr. Chairman, you know and other knowledgeable Congressmen also know that the Service has approached the problem of closing small post offices with care. The Service is well aware of the provisions in Title 39 which require that no postal facility be shut down solely for operating at a deficit. We are equally aware of how much meaning a post office has to a small community in terms of its identity and its connection to the Federal Government. It is for these reasons that the Service has established criteria which provide for customers to be informed, consulted with and given adequate notice before the closing of a post office. Moreover, it is clear that the Service's responsibility must be to provide equal, if not better, service when a closing occurs.

Of course, presuming enactment of S. 2844, the Postal Service would not discontinue any office affected by the moratorium provisions of S. 2844. Further, the Service would carefully observe the aforementioned criteria even in the case of offices serving fewer citizens than stipulated in Committee Print No. 5 of S. 2844.

Despite the fact that there seems to be very grave problems confronting the Service, it is my firm intention to work closely with the Congress in attacking those problems. I am sure that informed Members of Congress understand that the Postal Service is in serious financial difficulty and must exercise the responsibilities placed upon it by the Congress by doing what it can to cut expenses in the face of exploding operating costs. For this reason, we must continue to search out opportunities for improved efficiency on all fronts, including consideration of small post office closings in appropriate circumstances. But I assure you that we will undertake such considerations in the full spirit expressed earlier in this letter.

Sincerely,

BENJAMIN F. BAILAR.

Mr. RANDOLPH. What I shall attempt to do is call to the attention of our colleagues the urgent need for established guidelines on post office closings or consolidations. I have discussed this with the Senator from Wyoming. I am not sure he may oppose my proposal or ask that it be tabled. But I feel that before we move to substantive amendments which apparently will be offered—those amendments that I see on the desk of Senators—we should separate this issue from the other matters, because it has to do with the freeze or moratorium. It is a procedural question that must be resolved when certain types of offices serving the public are being closed.

I felt that we should move to this subject at this point, because the Senator has mentioned the problem of the closing of post offices. He recognizes it, as do all the members of our committee and I am sure, all Members of the Senate. My effort will be one that I think is well-reasoned. It will not do damage to the moratorium, but will give us a procedure that can start at the end of that period. My amendment will insure that there is participation of the patrons of an office in connection with the decisions on postal closings.

I do not wish to be what some might say is overly patriotic in this statement, but I do see a danger when thousands of post offices are being closed throughout the United States. I look on those offices, as I am sure my able colleague looks upon them, as representative of the Federal Government from the standpoint of actual day-by-day service, not just for the patrons of the offices, but also for the people of those communities who are helped by the postmaster.

These postmasters—men and women—are, in a sense, counselors to so many people. They help in many ways with the filling out of forms and reports, and they represent what I believe is the human side of the Government. I think it is important that in all of these smaller communities—and I am not speaking in disparagement of our great cities—there is not the same type of operation which people come to expect from a large number of employees. Out in those smaller communities there are just one or two or three persons who are on the job, and they are so identified. They strive daily to help citizens generally across a broad front.

I think that when such offices are closed, the American flag really comes down. My comments are not intended to stress patriotism, as such. Rather, I wish to indicate that throughout our countryside, our rural areas, there is a need to maintain the identity of these post offices, with the esprit de corps which comes with them.

I know our State of West Virginia is the second most rural State in the Union. It is a rural State although we are, of course, a State of manufacturing, mining, and many other facets that make up a prosperous and growing State, with a great potential. But I cannot overlook my responsibility, as I see it, to the less populated areas. I do not seek to throw a wrench into the machinery of the Postal Service. My desire is to

have a very reasoned way in which the citizens of these communities can have the opportunity to bring their thoughts to the Postmaster General and to participate in the decisionmaking process.

There are other matters, of course, that are of more substance that are going to be offered through other amendments. I think the chairman will look upon this amendment as possibly in a different category. Am I correct? Will he agree to that?

Mr. McGEE. I look upon it as a necessary point to consider because of the importance of rural post offices everywhere in America, as a symbol much larger than just postal service. I think the Senator is right on the nose. The question that it raises, which I think would be opposed downtown, is changing the mechanism in the existing process. This is the thing that we agreed that for the short duration the moratorium would substitute for.

Mr. RANDOLPH. But there are figures, I remind the Senator, that are involved.

Mr. McGEE. Yes.

Mr. RANDOLPH. There are the number of patrons of an office.

Mr. McGEE. That is right.

Mr. RANDOLPH. I think that when we work on classification that is built solely upon figures we are possibly in danger. I believe there are some offices for some reasons—they might be climatic conditions or they might be conditions of geography, the very terrain that is involved—that might make the figure, regardless of what it is, 35 or some other level, unrealistic. That is why I am attempting to go beyond what has been done and in good purpose by the chairman (Mr. McGEE), Senator FONG, and others.

Mr. McGEE. When we tried that question out on them they thought that was the sort of thing that would be prejudging the Commission report. But that is nonetheless the Senator's prerogative and I respect it very much.

Mr. RANDOLPH. I will then send to the desk an unprinted amendment. It is not that I have not been working on this; it has been a part of a bill, S. 3082, that I had earlier, although it has been changed somewhat. But I will ask unanimous consent that the amendment be at the desk and not to be called up at this time.

Mr. McGEE. Will the Senator ask for the question?

Mr. RANDOLPH. I do that because I wish to have, of course, the chairman, Senator FONG, and other Senators go into the matters in reference to the formal presentation of the bill.

But I will send the amendment to the desk.

The ACTING PRESIDENT pro tempore. At the request of the Senator from West Virginia the amendment will be held at the desk.

Mr. RANDOLPH. I do not want to press the point that my amendment should be the first considered, but I feel that it would be very natural that it be considered before other amendments.

Mr. McGEE. I certainly have no objection to that. I think in all fairness we

should sit down with all the groups involved here a little later in the afternoon, and we can work out an agreed-upon order of procedure. I have no objection at all to it being taken up first.

Mr. RANDOLPH. I certainly wish to accommodate the chairman, Senator FONG, the ranking Republican, Senator HOLLINGS, and other Senators who may not only be interested but also wish to participate with amendments and discussion of the bill itself.

Mr. President, I ask unanimous consent that John Giannini of my staff be permitted to be in the Chamber during debate and on any rollcall votes on this measure.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The Senator from Wyoming has the floor.

Mr. HOLLINGS. Mr. President, will the Senator yield for a similar request?

Mr. McGEE. I yield.

Mr. HOLLINGS. I thank the distinguished chairman.

Mr. President, I ask unanimous consent that my two assistants, Mr. Burt Rosen and Mr. Bill Keyserling, be allowed privileges of the floor during consideration of H.R. 8603.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. RANDOLPH. Will the Senator yield again to me?

Mr. McGEE. I am glad to yield.

Mr. RANDOLPH. Although Ned Massee of my staff has the privilege of the floor, he does not have such permission during rollcalls, and I ask unanimous consent that Ned Massee be a part of the request I made earlier.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. FONG. I also ask unanimous consent that Mr. Lawrence Nakatsuka be accorded the privilege of the floor during rollcall votes.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The Senator from Wyoming.

Mr. McGEE. Mr. President, I yield to my distinguished colleague, the ranking minority member.

Mr. RANDOLPH. Before the Senator begins, if this does not break the continuity, I note that reference was made by our chairman to the Postmaster General and his duties. Does the Senator from Hawaii feel that there is reason now to do what we did earlier? The Postmaster General of the United States still carries that designation even though it is the Postal Service instead of Post Office Department. Does not the Senator feel that we would be better serving the Government of the United States and the people to whom we are responsive if the President had the prerogative of sending a nominee to Capitol Hill and, with the advice and consent of the Senate, that individual being approved as are members of the Cabinet? At the present time, the Postmaster General, as my good friend knows, is really not able to go to the White House and discuss postal matters with the President of the United States because there is that layer between the Postmaster General and the

President. Does he care to comment on that situation?

Mr. FONG. Mr. President, the distinguished Senator from West Virginia has brought up a point which has some merit, but at this time I shall defer really saying what my stand is on the question. In 1970 when we turned the Post Office Department into the Postal Service we went into that matter very much in detail, and it was then thought that it would be better to have the Postmaster General appointed by the postal board of governors and that his salary be made contingent upon what the board of governors decided.

I would like to have hearings on this matter, on the whole question of amendments, after the Postal Commission has made its report, and at that time we would have a better insight into the problem.

Mr. RANDOLPH. I can understand the reasoning of the Senator from Hawaii in this matter, and I have an understanding of his feeling about the timing.

I think the American people generally would want the Postmaster General to be in the same position as the Secretary of the Interior, the Secretary of Commerce, and other members of the Cabinet. I believe that the mistake made, and understandably, was that the Postal Service was to be the operation of a service set apart from the regular handling of Government departments.

I would oppose, and I believe the Senators who speak now would oppose, any move to bring back to the Members of Congress the situation that existed in earlier years—the yes or no or approval or disapproval with respect to so-called postmaster appointments. I do not think anyone would argue that that is something that Congress would want to bring back unto itself.

Mr. FONG. I do not think any Member of Congress wants that. I believe we have done a good job in that respect and have left it to the Postmaster and his staff to decide that matter, because that is the most efficient way of handling it.

Mr. RANDOLPH. There is certainly the equity of the Civil Service of the United States. Our committee is not only a Post Office Committee; it is the Committee on Post Office and Civil Service. So we must recognize always the validity of the civil service or similar merit system and have it work, have adequate pay for persons who are doing the jobs to which they are assigned and committed.

It is very important that in the coming months we have oversight hearings in the Post Office and Civil Service Committee about some of the matters that are raised from the standpoint of personnel and personnel operations. That does not mean that I am attempting to be critical of the employees of the Postal Service. That is not my desire as I mention this.

I believe that, by and large, they are not only diligent and dedicated but also are efficient. Yet, there are cases in which that is not true, just as in a private business or any other operation in which people are employed. But we need to have a closer look sometimes, so that we can insure that in the Postal Service

we are serving the public. They are the constituencies of all the Members of the House of Representatives and the Senate.

Mr. FONG. There is much to be said for the appointment of the Postmaster General by the President and to make him a member of the Cabinet. Being a member of the Cabinet would give the Postmaster General tremendous prestige, tremendous honor, and great respect. Many men would work hard at that position without reasonable compensation. As we have seen, many men have left their employment which pays much more than they are receiving as Cabinet members, and they have become very good Cabinet members. They want that prestige, they want to be near the President, and they can see the President from time to time.

There has been some mention that it was difficult for the Postmaster General to see the President because the Postmaster General was considered more or less a member of a quasi-independent corporation, and from that standpoint, he was expected to run his corporation the way it should be run, as a quasi-independent corporation, and therefore he did not have the tie with the President.

There is much to be said about the position of the Senator from West Virginia, that if we made the Postmaster General a member of the Cabinet, it would enhance his position, would give him better rapport with the President, and he would be able to bring to the President many of the problems with which he is now faced. As a result of not being in the President's Cabinet, he finds it sometimes a little difficult to speak with authority, as if he were a member of the Cabinet.

Mr. RANDOLPH. I suggest to my colleague that there may have been some thinking that traditionally the Postmaster General, be he Democrat or Republican, as a part of the administration, became in a sense the political arm of the President within the Cabinet. I think that the Postmaster General, in a sense, in the past has been more politically attuned to the administration and its program of selling itself to the American people than have other members of the Cabinet.

Mr. FONG. That has been quite true.

Mr. RANDOLPH. At times, we think that the Secretary of State is removed from that type of campaigning or political effort. Yet, today, if members of the Cabinet are a part of an administration, I am not upset with them in speaking well of that administration. I think that this is as it should be. There are, of course, the limits of propriety and good taste which we would agree must be practiced. Yet, I sometimes feel that there is a reason for the Secretary of the Treasury to speak out not only upon matters of finance but also upon his feelings about the administration of which he is a part. I do not object to that, nor do I object to it by any other member of a Cabinet of the President of the United States. So it would be with the Postmaster General.

However, in yesteryears there was a feeling that the Postmaster General was

there just to carry the so-called political banner for the party in power. Certainly, I would want him to be a participant in the type of programs I have mentioned.

Does the Senator agree?

Mr. FONG. Yes, of course. In former years, we did not have the tremendous problems with which the Post Office is now faced. In former years, they did not have the volume; they did not have the tremendous number of employees. Now we have volume up to 90 billion pieces of mail per year. It has not risen because of other businesses coming in and taking part of the business away. It has 700,000 employees. It is a tremendous organization. In fact, it is the second largest, after the Defense Department.

In former years, it was not as large. They did not have all these problems. We did not have double-digit inflation. We did not have the rise in oil prices. All these are problems the Postmaster General has faced. Now that we have had 5 years of experience, perhaps we should give the organization a second look and see whether the Postmaster General should be an appointee of the President, with the prestige of being a Cabinet member.

Mr. RANDOLPH. So that I may not be misunderstood, I point out that I had the responsibility, as a Member of the House, of serving as chairman of the Civil Service Committee. That was during 1946. That was 30 years ago. It frightens me.

Mr. FONG. The Senator looks very young.

Mr. RANDOLPH. I thank the Senator. "For age is opportunity no less than youth itself, though in another dress." That is what Longfellow said.

I come back to the workers. I do not like a person to be called an employee. I like the word "worker." I sometimes think that we talk about people as employees as if they were not part of a team. I prefer the team effort, the work effort. I think that, by and large, those men and women who are employed in the Postal Service are workers. They are doing their jobs.

Mr. FONG. And very dedicated workers.

Mr. RANDOLPH. Yes, and I want the record so to reflect. I think of the carrier that came by the door rather early this morning, perhaps a little earlier than usual. I was able to greet him and we chatted for just a moment. I told him about the subject matter we would have in the Senate here today. It was an occasion for me to compliment him on his courtesy and the manner in which he does the job in our area as a city carrier. And out in those mountain reaches of our State and through our lush lands and the valleys that we have between those mountains and hills, the rural carriers are doing a job that is entirely worthwhile and very, very important; and so it is with the postmasters also.

I hope that we shall never forget that, even with all the computerization within the Postal Service as it now exists. The automated efforts are part of modern production—not of a manufactured product, but sometimes in the delivery of packages and the mail. But with all

of this, we must remember that it is the human side of this business, I call it, that is essential. It is where workers feel a pride not only in working for themselves and the Postal Service but also, in a sense, as the direct representatives of the Federal Government with the people, wherever they may be. That, I think, is very, very important in the life of America.

As we consider this bill, let us be very very careful, in all of the work that we do to bring it to a finalization. We must realize that the Postal Service, the distribution of mail, the mobility of America, the communications of America, sometimes have been not so well understood. So I simply say that, as I offer this amendment a little later on closing of offices, I hope there will not be an effort to table the amendment. However, I can understand it if that is done. But here we have an opportunity to say, regardless of a letter from the Postmaster General, regardless of a moratorium into February of next year, that we have a procedure which is a workable procedure, one in which participation of people is involved.

When we began this country in the writing of those earlier documents our Founding Fathers did not speak of an emperor, or a king or a queen or a monarch. They were saying, "We, the people." So I think we must remember that out there, all over this country-side there is a very large population and a very comprehensive number of workers within the Postal Service throughout all of our States. And there is reason to improve the Postal Service. This is going to take the most careful, creative, innovative, and resourceful work that we have ever developed, in connection with an agency or a service within the Federal Government. It is not going to be easy to do this.

Mr. FONG. No.

Mr. RANDOLPH. The Senator recognizes it, certainly, as a businessman.

Mr. FONG. I do recognize it.

Mr. RANDOLPH. That human side of this job must never be forgotten. I think that, by and large, the worker does not want it to be forgotten.

Mr. FONG. We can never forget the human side of the Postal Service. There are 700,000 employees, and although the number of employees has not increased because of automation, they are there and they should be treated as human beings and they have been treated as human beings. They are dedicated, by and large, very dedicated public servants and the public employees of the Postal Service have done yeoman service. Although we have had many, many criticisms against the Postal Service, we have to consider that there are almost 100 billion pieces of mail. If a man does a 99-percent job but was 1 percent deficient, somehow, you would say the man is doing a good job. Yet if 1 percent of the mail of the post office goes haywire, and does not reach its destination according to time, that means 1 million pieces of mail did not reach their destination in time. Yet there is not that kind of dereliction, there is not that kind of holding up of service of a billion pieces. So

looking at it from the standpoint of the bigger picture, we find that the Postal Service has been very efficient and the GAO, in its investigation of the Postal Service, has found that the service has been good.

Mr. RANDOLPH. The Senator spoke of the fact that something might go wrong.

Mr. FONG. Yes. If I could receive a score of 99 percent in anything I do, I would consider myself A-plus. Yet we find this criticism of the Postal Service, because some of the mail does not reach its destination according to time.

Mr. RANDOLPH. I shall place in the RECORD the facts about when the people complained about the delivery of their mail a long time ago, in the 1850's, perhaps—I am not sure of the exact date. I shall place it in the RECORD. It was in my home county in West Virginia. There was a complaint against the Trotter brothers.

The Trotter brothers, had a contract to carry the mail between Huttonsville in Randolph County and Staunton, Va. In the winter of 1855, after a trip south, heavy snowfall prevented their return across the mountain. The people of Tygarts River Valley, irritated by the delay in their mail, complained to the authorities in Washington. The Post Office Department relayed the complaint to the Trotters, who replied as follows:

STAUNTON, VA.,
1855.

MR. POSTMASTER GENERAL,
Washington, D.C.

Sir: If you knock the gable end out of hell and back it up against Cheat Mountain and rain fire and brimstone for 40 days and 40 nights it won't melt the snow enough to get your damned mail through on time.

Yours truly,

TROTTER BROTHERS,
By JAMES TROTTER.

So that was a problem, was it not? The mails were delivered if they could be. But when nature had an upheaval, or the snows were deep, they could not do it. Is that correct?

Mr. FONG. Yes, there are many obstacles.

Mr. RANDOLPH. So through the country, there exist these obstacles which have, of course, continued through the years, sometimes to the delay of the mail. But by and large, we do have the very best mail system in the world.

Mr. FONG. And one of the cheapest.

Mr. RANDOLPH. Yes. I expect that could be borne out. But there is no comparison, really, between any other country and the United States in its handling of the mail.

Mr. FONG. No, and the number of pieces.

Mr. RANDOLPH. All of this is documented. So at this point, thinking about the amendment which I shall offer, I do want to express that I have a very genuine esteem for the present Postmaster General. I feel that he is trying very, very hard to do this job.

Mr. FONG. No question; he has a tough job.

Mr. RANDOLPH. I do not want to pass any accolades on Ben Bailar at the moment, except to say that he has a very big job and he realizes it. I think he

has been trying, insofar as possible, to confer with the Members of Congress, both Senate and House, on these matters that we are discussing. But whatever we do, I do not want it done with any rancor whatsoever or with any misunderstanding.

We are not out to get someone when we offer an amendment. In no sense, if an amendment is offered, is it offered for that purpose. I am sure it will be offered by a Senator or Senators who believe that there is a better way to do the job than the bill as reported from the committee. Our committee attempts always, insofar as possible, to be reasoned and to bring measures to the floor which merit the support of our colleagues.

Mr. FONG. May I say to the distinguished Senator from West Virginia that prior to 1970 we thought we could do a better job. That is why we had the postal reorganization bill and we reorganized the Postal Service. At that time we were told the Postal Service needed \$6 billion for their capital improvements, and we were derelict in Congress in not appropriating the \$6 billion to give them these capital improvements.

Because they were funded at less than what they should have been funded, the problems have grown and grown and grown. We thought at that time we should reorganize the Postal Service so we could give it a chance to go out and borrow money. We did provide that they could go out and borrow \$10 billion, which Congress was not willing to give to the Postal Service, to rehabilitate some of the old post offices and to give it the machinery to make it a real modern, up-to-date post office.

That is one reason for the reorganized Post Service. We gave them the power to go out and borrow on their assets. They have been borrowing. They are now facing a deficit because of the rise in labor costs; the double-digit inflation which we have been experiencing; the rise in costs of fuel and all petroleum products.

We find there is much criticism against the post office because they say that some of the mail pieces are not being delivered on time, when you consider, as I have stated, that there are 90 billion pieces of mail, and if only 1 percent got waylaid, you have a billion pieces of mail delivered late or gone astray. We only have a very small fraction of the mail being delayed in time.

So, looking at it from the standpoint of the whole Postal Service, we find that the post office has done quite a fine job.

I was saying we had one of the cheapest postal services in the developing countries. Let us compare what it costs to send a first-class letter through the U.S. Postal Service with other postal services. In the United States, the first-class rate is 13 cents an ounce. Australia charges 22.9 cents, which is almost twice the amount we are charging. Belgium charges 16.7 cents. Canada charges 8 cents. Yet they had a strike, and now the rate has increased but I do not know what the increase is. As of February 1976 it was 8 cents per piece.

In Japan it costs 16.6 cents as compared with our 13 cents; the Netherlands

20.7 cents; Sweden 23 cents, Switzerland 15.5 cents, the United Kingdom 17.3 cents, and West Germany 19.5 cents. So the 13 cents for first-class mail through the U.S. Postal Service is the lowest outside of Canada. What the Canadian rate is now, I do not know. But you can see from these figures that the U.S. Postal Service rate is not high in comparison with the other developing countries.

So I say that with the limited amount of money they have been working with, with the great number of pieces of mail they have to handle, the Postal Service has done a good job. I think instead of condemning the Postal Service, we should really try to do everything we can to help it.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. FONG. I have not yielded.

Mr. HOLLINGS. Mr. President, I wonder if the Senator from Hawaii would yield for a question.

Mr. FONG. I yield.

Mr. HOLLINGS. I appreciate the conversation the Senator had with our senior colleague from West Virginia with respect to his amendment, which is perfectly agreeable on this side for us to vote first on his perfecting amendment before I lay down our substitute—however we wish to work it out. Perhaps that would be a good procedure.

While the Senator from Hawaii has the floor I would like to try to bring this into a little bit more responsible focus, because we are talking about Australia and Sweden, and we are talking about good employees—and they are good—in fact, that is one of the great motivations for me, the low morale now, and I think we have done them wrong in not supporting those employees.

But if I remember correctly now the Senator from Hawaii said this new system, the Postmaster General, had all these new problems to face, and I was noting it down that you did not have inflation, you did not have the number of employees, you did not have the volume. I would ask first about that inflation. Is the Senator from Hawaii familiar with the GAO report relative to the delivery contracts whereby there are some 12,000 contracts, and of which they only reviewed about 85? They stated this:

The Service uses contracted vehicle service as one means to transport mail between postal and private facilities. About \$300 million annually is expended on more than 12,000 contracts.

We found the postal procedures were not identifying opportunities to reduce costs while maintaining the same service. Our review of 85 contracts disclosed that the Service could eliminate or reduce 16 of the contracts and save about \$185,000 and 88,000 gallons of fuel annually.

Is the Senator familiar with that?

Mr. FONG. If we had a corporation that brings in \$14 billion in receipts and expends \$14 billion in expenditures, and if you want to look for things like that you are bound to find them. There is some leeway in which they could save some money, and here is a place where they say they could have saved \$180,000 out of \$14 billion. I do not dispute that. I would say there are many places in which we could save a lot of money if we really

went after it. But when you look at the overall picture, I say it has done well.

Mr. HOLLINGS. That would sort of give us an indication of the overall. Here comes a responsible accounting organization, the General Accounting Office, and they find that in 20 percent of these contracts they could have either reduced or eliminated so many of them, and on 20 percent rather than the inflationary costs, for example, which we are all familiar with, with the jump in gasoline, I guess, which has gone from about 35 to 37 cents a gallon to 65 or 67 cents a gallon—

Mr. FONG. Almost double.

Mr. HOLLINGS. Between 73 and 76, and adding to that, what I am saying is looking even further on just 20 percent of the contracts you could have saved way more than inflation would ever have cost. That is not just a little one isolated thing at random, that was taken as a sample.

Maybe I should ask about the number of employees because the Senator indicated that they had so many more employees to handle.

Mr. FONG. I did say they had 700,000 employees. The number would have increased if they did not have automation. The 700,000 employees, I think, have been reduced by 30,000.

(At this point, Mr. FORD assumed the Chair.)

Mr. HOLLINGS. The actual figure which I am quoting now from the Postmaster General's 1974-75 report, at that particular time in 1971—and we passed this, of course, August 1970—the 1971 figure was 728,911 employees.

In the more recent GAO report which we asked for, the Post Office and Civil Service Committee shows 676,000 employees over there now, or a reduction in that many to be handled.

If number of employees or volume of employees was a problem, I understood the Senator from Hawaii was stating they did not have that number of employees.

Mr. FONG. I did not say that.

Mr. HOLLINGS. It reduced the problem by about 50,000.

Mr. FONG. I was responding to the distinguished Senator from West Virginia that we should look at the human problem, and I said, "Yes," because there were approximately 700,000 employees.

Mr. HOLLINGS. Then I heard that the distinguished Senator from Hawaii said the Postmaster General did not have this terrific volume with which to contend.

The truth of the matter is, going to that same report in 1971, they had 87 billion pieces. By 1974 they had gotten up to 91 billion. But they had a drop in 1975 of 832 million pieces of mail, and the projected drop by the Postmaster General of more than that, a billion pieces this year.

So, actually, the number of pieces to be handled rather than the volume going up and the bigger job, actually, there is a smaller job.

It is regrettable, we both agree on that.

Mr. FONG. No, the projection by the Kappel Commission was that it would have increased.

The Kappel Commission estimated by 1975 it would be over 100 billion pieces, and the 1975 projection by GAO was that it should be 93 or 94 billion pieces. The volume has fallen down to 91 billion pieces, but it has increased over the years.

Mr. HOLLINGS. But let us take the actual 1975 figure, which was 89.3, according to the report.

Mr. FONG. In 1968, the Kappel Commission projected the 1975 mail volume at 110 billion pieces, and in February 1975 the GAO projected it at 93.1 billion pieces.

Actually, the 1975 volume was 89.3 billion pieces.

Mr. HOLLINGS. That is right, 89.3.

Mr. FONG. And the slowing down of the number of pieces cut down the revenues. This is one of the problems.

Mr. HOLLINGS. Could it be because they have cut down their service?

Mr. FONG. No. It is because of mailgrams they have used, or the telephone. Many people find using the telephone is easier. Many people find sending a radio-gram is easier. Many people find using other electronic means of communication is much better than using the mail.

These are the things we are contending with now which we never anticipated in 1970 when we passed the postal reorganization bill.

Mr. HOLLINGS. Of course, the people use mailgrams and all, but the Senator must know about the closing of the small post offices, the removal of the collection boxes, the reduction in the number of times that they actually picked up the mail, the reduction of deliveries, for example, at business offices from three times to sometimes less than one time a day.

We have a record here, on April 19 and 20, with all the statements of everyone concerned, the mail carriers, the American Legion, and everyone says service is down.

In addition to the service going down, of course, they have gone financially 8 billion bucks into the hole.

We gave them an outfit worth at least \$3.5 billion in 1970 when they got it, and now we are facing, rather than a plush \$3.5 billion, a \$4.5 billion deficit.

That is a change in financial position which even the Senator's own report says that considered in private business, the Postal Service would be bankrupt.

Is that not really the case?

I mean, as we talk more generally, and we are being very tactful and I think it is wise that we do not be untactful or tactless and raucous and yet, at the same time, we are faced with a real problem.

As I see the Senator's amendment in the most kindly terms, it is no more than a holdup, like sticking a gun and saying, "give us some money and don't ask questions."

That is why I am asking these questions, because I think much talk has been made about the impairment of the obligation of the postal employees' contract. I think the Senator has a contract and I have a contract. We all do with the public, that puts us here to stop, look and

listen, and find what we are giving out business for.

In looking at that, the Senator says we ought to have a hearing after the Commission reports in February. Is that the Senator's position?

Mr. FONG. Yes. The commission is going to delve into all the problems of the post office and see whether it can come up with recommendations. At that time, with those recommendations, I am sure we will be able to have a more deliberative session and see what amendments can be enacted.

Mr. HOLLINGS. But how can that occur?

Mr. FONG. May I go further?

Mr. HOLLINGS. Yes.

Mr. FONG. I will answer the Senator's question about the GAO as an arm of the Congress.

The GAO has made 126 reports on a wide range of postal topics in the last 4½ years. This is what it says about mail delivery standards:

Mail delivery standards as established by the Postal Service are generally being met.

This is what GAO says:

Mail delivery standards as established by the Postal Service are generally being met.

The GAO also says that the lot of the postal employees has been greatly improved.

Mr. HOLLINGS. They really do not believe the morale in the Postal Service has improved, do they?

Mr. FONG. The GAO has issued 126 reports in 4½ years. They come out with a statement like that, and the GAO has not been very favorable in its report with the administration. The Senator knows that.

Mr. HOLLINGS. The fact is, exactly 140, not 126, but 140 GAO reports. They say the standards set themselves. That is, the new Postal Service, that they set themselves in 1970, in 1972, really, when they put in this testing service, they say, "Yes," and that is what they are referring to by meeting those standards.

But the GAO report says to look at the levels of service in 1969, when it was a political organization, and now in 1975, when it is a business organization, the service has diminished sharply.

It is diminishing sharply. That is really part of the report. Well, that is all right. We would not argue that.

I would like to find out how could the Senator have the overall report by the Commission in that amount of time? No one encompasses this being passed and signed by the President, if we could get together with the House, until after Labor Day or the middle of September. That would cause some appointments to come in in October. I believe the Senator would agree that would be pretty good timing, if we could get the Commission to start a study in October.

Mr. FONG. I know the time we have given the Postal Commission to report is a short period. We have been thinking in terms of about 6 months.

Mr. HOLLINGS. How can they do it with October, November, December, and January as the 4 months to study the overall needs? S. 2044, introduced by

Senator McGEE, called for a 2-year study on the sole question of the public service subsidy. He said it would take 2 years to determine that; namely, the public service subsidy. In this buy-off that we have facing us now, where we are not to ask questions but just give money, and in order to answer the questions we will get a blue ribbon commission to study for 4 months, with Thanksgiving, Christmas, the New Year's holidays, the inauguration, and everything coming in between, with them reporting to us in February, how can they give us an intelligent report?

Mr. FONG. If they require a little more time, they will come to us and ask for more time. At that time we will consider it.

Mr. HOLLINGS. So the Senator feels this Commission might be extended in February for another 6 months?

Mr. FONG. I do not know how much time will be given to them. I will not be here. That will fall upon other Senators.

Mr. HOLLINGS. This gets the Senator from Hawaii by but it does not get me by. I see. I thank the Senator.

Mr. FONG. In answer to whether this is a good bill, we have the employee organizations asking that this bill be passed. I think many employees from the post offices, the postmasters, and all the people identified with the Postal Service, are asking that we pass this bill as it is, that they require this amount of appropriation to tide them over.

Mr. WILLIAM L. SCOTT. Will the Senator yield?

Mr. FONG. I yield.

Mr. WILLIAM L. SCOTT. A few years ago we set up this postal service corporation and started having long-term contracts between the employees organization that my distinguished friend from Hawaii is speaking of, long-term contracts negotiated for salaries and working conditions. I wonder if that is not really the root of the trouble we are having.

How does the salary of the postal worker compare with the salary of the classified civil service employee? I served on the House Post Office and Civil Service Committee. At a later time I will ask to include in the RECORD a copy of the minority report of that committee on the bill setting up this postal corporation.

As the distinguished Senator will remember, the Committee on Post Office and Civil Service of the House of Representatives would not pass this bill when the administration wanted it. It was only when the postal organizations and the administration joined together that they got a majority of the votes. The then Postmaster General Blount said:

I am a businessman. I know how to deal with employees.

Later on, though, he gave the employees everything they asked for.

I just wonder if it is in the public interest, to let the employees run an organization as large as the Postal Service. I wonder if it is not the responsibility of the Members of Congress to exercise legislative oversight, and that we should

have the Chief Executive as the final head of the Postal Service rather than the organization that we now have.

In other words, I am saying we made a mistake when we set this up. We made a very serious mistake that is not in the public interest.

Mr. FONG. This was in answer to whether this is the bill that should be passed and what the morale is. The morale was low, as was said.

Mr. WILLIAM L. SCOTT. The Senator is talking about the employee morale?

Mr. FONG. Yes.

Mr. WILLIAM L. SCOTT. What percentage of increase in pay have they received since the postal corporation was established? How does that compare with the general classified services? In other words, if they have received twice as much money as other Government employees received, I can understand their morale being rather high.

Mr. FONG. In answer to the distinguished Senator from Virginia, I want to say salaries constitute 86 percent of the operating expenses. Between July 1971 and March 1976, the typical annual salary payment rose 54 percent in the Postal Service as compared with an increase of 41 percent in equivalent civil service salaries.

Mr. WILLIAM L. SCOTT. Does the distinguished Senator have any figures showing the increases for all Government employees as compared with those in the Postal Service since the Postal Service became a separate instrumentality?

Mr. FONG. Yes. July 1971 would be the first time that the Postal Service employees received their increase. Between that date and March 1976, as I have stated, their salary rose 64 percent, whereas their equivalent in the civil service positions rose 41 percent. So there has been a 23-percent increase over and above that of the civil service.

Mr. WILLIAM L. SCOTT. But does that include an initial increase immediately upon the setting up of the Postal Corporation?

Mr. FONG. I believe this constitutes the whole thing.

Mr. WILLIAM L. SCOTT. The whole thing from the time they were entirely a part of the Government?

Mr. FONG. Yes.

Mr. WILLIAM L. SCOTT. I like to think they are still a part of the Government under a quasi-government corporation.

Mr. FONG. The fact that they were given the right of collective bargaining with the Postal Service has tended to increase their salaries over and above those of the other civil service employees.

Mr. WILLIAM L. SCOTT. Why does the distinguished Senator say that would give them something above what the other Government employees received?

Mr. FONG. Because of the threat of striking, because there was a strike in New York, and because they were in bargaining units these increases were granted. The fact that they have these bargaining units caused an increase in salaries.

Mr. WILLIAM L. SCOTT. Is it fair for them to have these bargaining units and the rest of the Government employees not to have them? Is there any reason they should have the right to collective bargaining and the other Government employees not have the right to collective bargaining?

In all candor, I do not favor collective bargaining for public employees. I consider the Postal Service public employees.

Mr. FONG. At the time of the postal reorganization in 1971, the whole matter was placed in the hands of the Board of Governors. They were free to get into a collective bargaining agreement with the employees, which followed. It resulted in a bargaining agreement and, as a result, employees' salaries have increased.

Mr. WILLIAM L. SCOTT. Does the Senator feel that this is in the public interest? That is the point I am getting at. I refer not to the employees' interests but the public interest, including the employees. I feel the distinguished Senator would agree with me that we are here to serve the public interest, not the employees' interests as a separate unit.

Is it in the public interest for them to have the right of collective bargaining and to receive higher increases in pay than other Government employees, if we call them all Government employees, or should all employees be treated alike?

Mr. FONG. If we look at it from the standpoint that this is a quasi public corporation, it is half private and half public. Then we follow the private rule, the private law, governing the right of collective bargaining.

Mr. WILLIAM L. SCOTT. They have no right to strike under the present setup, do they, under the Postal Service arrangement?

Mr. FONG. There is nothing here said about the right to strike.

Mr. WILLIAM L. SCOTT. Then the threat of a strike would, if carried into effect, be a violation of existing law?

Mr. FONG. Yes, it would be.

Mr. WILLIAM L. SCOTT. I do not feel that anyone should benefit from a threat to violate the law of the land, and in all candor I see no basis for giving additional compensation to people in a quasi-public corporation.

EXECUTIVE SESSION

INTERNATIONAL COFFEE AGREEMENT, 1976; PROTOCOLS FOR THE THIRD EXTENSION OF THE INTERNATIONAL WHEAT AGREEMENT, 1971

The PRESIDING OFFICER (Mr. CURTIS). The Senator will suspend.

The hour of 2 p.m. having arrived, under a previous order of the Senate, as in executive session, the votes will now occur on two treaties.

INTERNATIONAL COFFEE AGREEMENT, 1976

The PRESIDING OFFICER. The question is on agreeing to resolution of ratification on Executive H, 94th Congress, 2d session, the International Coffee Agreement. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Texas (Mr. BENTSEN), the Senator from California (Mr. CRANSTON), the Senator from Iowa (Mr. CULVER), the Senator from Ohio (Mr. GLENN), the Senator from Alaska (Mr. GRAVEL), the Senator from Colorado (Mr. GARY HART), the Senator from Indiana (Mr. HARTKE), the Senator from Colorado (Mr. HASKELL), the Senator from Minnesota (Mr. HUMPHREY), the Senator from Vermont (Mr. LEAHY), the Senator from Louisiana (Mr. LONG), the Senator from Washington (Mr. MAGNUSON), the Senator from New Mexico (Mr. MONTOYA), the Senator from Utah (Mr. MOSS), the Senator from Maine (Mr. MUSKIE), and the Senator from California (Mr. TUNNEY) are necessarily absent.

I also announce that the Senator from Hawaii (Mr. INOUE), the Senator from Massachusetts (Mr. KENNEDY), and the Senator from New Jersey (Mr. WILLIAMS) are absent because of official business.

I further announce that, if present and voting, the Senator from Minnesota (Mr. HUMPHREY) and the Senator from Washington (Mr. MAGNUSON) would each vote "yea."

Mr. HUGH SCOTT. I announce that the Senator from Tennessee (Mr. BROCK), the Senator from Arizona (Mr. GOLDWATER), the Senator from Michigan (Mr. GRIFFIN), and the Senator from Ohio (Mr. TAFT) are necessarily absent.

I further announce that the Senator from Utah (Mr. GARN) is absent due to a death in the family.

I further announce that, if present and voting, the Senator from Ohio (Mr. TAFT) would vote "yea."

The yeas and nays resulted—yeas 76, nays 0, as follows:

[Rollcall Vote No. 516 Ex.]

YEAS—76

Abourezk	Fannin	Nunn
Allen	Fong	Packwood
Baker	Ford	Pastore
Bartlett	Hansen	Pearson
Bayh	Hart, Philip A.	Pell
Beall	Hatfield	Percy
Bellmon	Hathaway	Proxmire
Biden	Helms	Randolph
Brooke	Hollings	Ribicoff
Buckley	Hruska	Roth
Bumpers	Huddleston	Schweiker
Burdick	Jackson	Scott, Hugh
Byrd	Javits	Scott,
	Johnston	William L.
Harry F., Jr.	Laxalt	Sparkman
Byrd, Robert C.	Mansfield	Stafford
Cannon	Mathias	Stennis
Case	McClellan	Stevens
Chiles	McClure	Stevenson
Church	McGee	Stone
Clark	McGovern	Symington
Curtis	McIntyre	Talmadge
Dole	Metcalf	Thurmond
Domenici	Mondale	Tower
Durkin	Morgan	Welcker
Eagleton	Nelson	Young
Eastland		

NAYS—0

NOT VOTING—24

Bentsen	Griffin	Long
Brock	Hart, Gary	Magnuson
Cranston	Hartke	Montoya
Culver	Haskell	Moss
Garn	Humphrey	Muskie
Glenn	Inouye	Taft
Goldwater	Kennedy	Tunney
Gravel	Leahy	Williams

The PRESIDING OFFICER. Two-thirds of the Senators present and voting having voted in the affirmative, the resolution of ratification is agreed to.

PROTOCOLS FOR THE EXTENSION OF THE INTERNATIONAL WHEAT AGREEMENT, 1971

The PRESIDING OFFICER. The question is on agreeing to the resolution of ratification on Executive I, 94th Congress, 2d session, Protocols for the Third Extension of the International Wheat Agreement, 1971.

The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Texas (Mr. BENTSEN), the Senator from California (Mr. CRANSTON), the Senator from Iowa (Mr. CULVER), the Senator from Ohio (Mr. GLENN), the Senator from Alaska (Mr. GRAVEL), the Senator from Colorado (Mr. GARY HART), the Senator from Indiana (Mr. HARTKE), the Senator from Colorado (Mr. HASKELL), the Senator from Minnesota (Mr. HUMPHREY), the Senator from Vermont (Mr. LEAHY), the Senator from Louisiana (Mr. LONG), the Senator from Washington (Mr. MAGNUSON), the Senator from New Mexico (Mr. MONTOYA), the Senator from Utah (Mr. MOSS), the Senator from Maine (Mr. MUSKIE), and the Senator from California (Mr. TUNNEY) are necessarily absent.

I also announce that the Senator from Hawaii (Mr. INOUE), the Senator from Massachusetts (Mr. KENNEDY), and the Senator from New Jersey (Mr. WILLIAMS), are absent because of official business.

I further announce that, if present and voting, the Senator from Minnesota (Mr. HUMPHREY), and the Senator from Washington (Mr. MAGNUSON) would each vote "yea."

Mr. HUGH SCOTT. I announce that the Senator from Tennessee (Mr. BROCK), the Senator from Arizona (Mr. GOLDWATER), the Senator from Michigan (Mr. GRIFFIN), and the Senator from Ohio (Mr. TAFT) are necessarily absent.

I further announce that the Senator from Utah (Mr. GARN) is absent due to a death in the family.

I further announce that, if present and voting, the Senator from Ohio (Mr. TAFT) would vote "yea."

The yeas and nays resulted—yeas 76, nays 0, as follows:

[Rollcall Vote No. 517 Ex.]

YEAS—76

Abourezk	Durkin	McGovern
Allen	Eagleton	McIntyre
Baker	Eastland	Metcalfe
Bartlett	Fannin	Mondale
Bayh	Fong	Morgan
Beall	Ford	Nelson
Bellmon	Hansen	Nunn
Biden	Hart, Philip A.	Packwood
Brooke	Hatfield	Pastore
Buckley	Hathaway	Pearson
Bumpers	Helms	Pell
Burdick	Hollings	Percy
Byrd	Hruska	Proxmire
	Harry F., Jr.	Randolph
	Byrd, Robert C.	Ribicoff
	Cannon	Roth
	Case	Schweiker
	Chiles	Scott, Hugh
	Church	Scott,
	Clark	William L.
	Curtis	Sparkman
	Dole	Stafford
	Domenici	Stennis
	McGee	

Stevens
Stevenson
Stone

Symington
Talmadge
Thurmond

Tower
Welcker
Young

NAYS—0

NOT VOTING—24

Bentsen
Brook
Cranston
Culver
Garn
Glenn
Goldwater
Gravel

Griffin
Hart, Gary
Hartke
Haskell
Humphrey
Inouye
Kennedy
Leahy

Long
Magnuson
Montoya
Moss
Muskie
Taft
Tunney
Williams

The PRESIDING OFFICER. Two-thirds of the Senators present and voting having voted in the affirmative, the resolution of ratification is agreed to.

LEGISLATIVE SESSION

The PRESIDING OFFICER. Under the previous order, the Senate will return to legislative session.

POSTAL REORGANIZATION ACT AMENDMENTS OF 1976

The Senate continued with the consideration of the bill (H.R. 8603) to amend title 39, United States Code, with respect to the organizational and financial matters of the United States Postal Service and the Postal Rate Commission, and for other purposes.

The PRESIDING OFFICER. The Chair recognizes the Senator from Oklahoma.

The Senator will suspend.

Will the Senate please be in order? The Senator from Oklahoma is entitled to be heard.

The Senator from Oklahoma.

Mr. BARTLETT. Mr. President, I ask unanimous consent that Joe Heaton and Ed King of my staff be accorded the privilege of the floor during consideration and votes on H.R. 8603.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Hawaii.

Mr. ROBERT C. BYRD. Mr. President, may we have order in the Senate?

The PRESIDING OFFICER. Will Senators please take their seats and refrain from conversation? Those wishing to converse will please retire from the Chamber.

Mr. FONG. Mr. President, I yield to the Senator from South Carolina.

Mr. THURMOND. Mr. President, I appreciate the courtesy of the distinguished Senator from Hawaii.

I ask unanimous consent that Mike Mishoe, of my staff, and John Napier, of the staff of the Committee on the Judiciary, have the privilege of the floor during the consideration of H.R. 8603.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. FONG. Mr. President, I yield to the Senator from Oregon.

Mr. PACKWOOD. Mr. President, I ask unanimous consent that Bob Jerome, of my staff, be allowed the privilege of the floor during the debate and vote on the postal reorganization bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ABOUREZK. Mr. President, will the Senator yield?

Mr. FONG. I yield.

Mr. ABOUREZK. Mr. President, I ask unanimous consent that Jimmy Kolker, of my staff, be allowed the privilege of the floor during the consideration of and voting on this bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. FONG. Mr. President, I support the distinguished chairman of the Committee on Civil Service and Post Office in his position endorsing the committee amendments as contained in H.R. 8603, the Postal Reorganization Act Amendments of 1976.

As stated by the chairman of my committee, the purpose of the bill is to provide temporary financial relief for the hard-pressed U.S. Post Office Service.

At the outset, I believe it is fair to say that, based on my nearly 17 years of service on the Senate Post Office and Civil Service Committee, there are no fast and easy answers to all the Nation's postal problems. The problems of the Postal Service are tough, complicated, and changing. On the other hand, there are some solutions which are practical, reasonable, and attainable. They do not promise overnight success, but neither do they shy away from what has to be done now to save the postal system.

After long and arduous effort, the Senate Post Office and Civil Service Committee has reported H.R. 8603, the bill now being considered by the Senate. This measure gives top priority attention to the immediate financial problems of the Postal Service and at the same time provides the basis for an assessment of the longer term problems we are likely to face.

FINANCIAL ASSISTANCE

The accumulated operating indebtedness of the Postal Service stands at almost \$1.5 billion as of June 30, 1976. Operating expenses will add an additional \$125 million in the transition quarter and \$500 million in fiscal year 1977. This total of \$2.125 billion for operating indebtedness through the end of fiscal year 1977 is to be distinguished from borrowings made for capital expenses which are expected to total \$2.808 billion through the end of fiscal year 1977.

To address this problem, during the long negotiations, involving Senator McGee, our counterparts in the House, the Postmaster General, and representatives of the administration, I proposed a mechanism to assist the Postal Service to alleviate this balance sheet problem while the Study Commission deliberates and reports. My proposal was accepted by all parties and is incorporated in this bill.

As an emergency measure to reduce this debt, H.R. 8603, would authorize a total of \$1 billion—\$500 million to be applied against the accumulated operating debt of the Postal Service as of September 30, 1976, and \$500 million to be applied as of September 30, 1977.

These funds will be used for the purpose of reducing the Postal Service's outstanding operating debt—that is, borrowings which the Postal Service has already entered into for maintaining operations. This will reduce the burden on the Postal Service of having to carry this debt. It

will not be used as an operating subsidy for on-going operations.

In requesting the appropriations authorized, the Postal Service would be required to submit to the Senate and House Post Office and Civil Service Committees comprehensive and detailed information on its budget; postal operations generally; and estimates of total spending and revenues. Congress would, therefore, be fully and currently consulted and informed on postal operations, plans, and policies.

STUDY COMMISSION

H.R. 8603 proposes the formation of an independent Commission on Postal Service to study and recommend actions to resolve the problems facing the Postal Service. It would make recommendations on wide-ranging subject areas, without limits as to any particular areas. The Commission of 12 members is to file its final report by February 15, 1977.

We are expecting the Commission in the course of its review to address such areas as the appropriateness of current mail service levels, the role of special services provided to various types of mailers, and the impact of new electronic communications techniques, all of which affect the cost of providing mail service acceptable to the public at the lowest cost. The Commission should also examine who should bear the cost of the various potential levels of postal service.

MORATORIUM

While the Study Commission is performing its task and before its final report is submitted next February, H.R. 8603 would impose a moratorium on postal rate increases and service reductions.

Specifically, for the period beginning with the appropriation of funds authorized by the bill and ending next February 15, the Postal Service would be:

Prohibited from having in effect any permanent or temporary postage rate or postal service fee higher than those in effect on the date H.R. 8603 is enacted;

Prohibited from providing lower levels and types of postal services than those provided on July 1, 1976;

Prohibited from closing any post office where 35 or more families regularly receive their mail; and

Prohibited from closing any post office where fewer than 35 families receive their mail, unless the Postal Service receives the written consent of at least 60 percent of the regular patrons who are at least 18 years of age.

In addition, the Postal Service would be required to provide door or curbside delivery to all new permanent addresses, except apartment buildings, until the Study Commission reports.

The various parts of the "postal package" embodied in the bill were the product of lengthy hearings and negotiations. The Senate Committee held 7 days of public hearings in recent months on the proposed legislation. The chairman and I, as the ranking minority member, actively sought out the assistance and participation of others in hammering out an acceptable and workable legislative proposal. We met with our counterparts in the House of Representatives,

the Postmaster General, the Office of Management and Budget, and the White House. What eventually developed is a proposal which, as I noted earlier, has the approval of all parties.

The administration's views on the pending bill have been outlined by the Office of Management and Budget in a letter to Chairman McGEE.

Mr. President, I ask unanimous consent to have the text of that letter printed in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

OFFICE OF MANAGEMENT AND BUDGET,
Washington, D.C., June 18, 1976.

HON. GALE MCGEE,
Chairman, Senate Post Office and Civil Service Committee, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: This letter confirms our understandings regarding the provisions of H.R. 8603, as contained in Committee Print No. 8 of the bill, dated June 16, 1976.

The Administration is prepared to accept legislation and to transmit a request to the Congress from the U.S. Postal Service for the funding of the authorizations provided for under section 2, subject to the passage of a bill which is consistent with our agreement. The amounts provided for under the authorizations will be applied against the Postal Service's accumulated operating indebtedness and used for the purpose of reducing that outstanding indebtedness as of the period ending September 30, 1976, and the period ending September 30, 1977. These amounts will not be used directly for covering current operating expenses or deficits.

In addition, the mandate of the Commission on Postal Service, established under section 7, will be broadened and the Commission charged to identify and study the problems facing the Postal Service and to recommend actions to be taken to resolve those problems. While the Commission should not be limited to any particular subject area, we would expect it to look into such matters as: the appropriateness of current mail service levels including the services available to various types of mailers, the nature and extent of any "public service" aspect of postal operations, the status of the private express statutes, and postal policies with regard to personnel levels and employee compensation. We are also concerned that the Commission look into the future implications of changes in electronic communication technology and what impact these will have on postal operations.

The Administration's agreement is premised on these two important principles.

We would like to express our reservations about the composition of the Commission's membership, as amended by the Committee. While we can appreciate the concerns expressed for adding members to the Commission to reflect the views of the postal labor force, we do not believe that it is appropriate to designate two such representatives to a Commission of only ten members. Further, we believe that adding specific members from the labor force is inconsistent with the action taken to eliminate postal management's voting representation on the Commission. We believe that a Commission named jointly and equally by the President and the Congress can deal with all of the postal problems without having to bring specific viewpoints to the membership.

We note that during the period of the study, current postal policies will remain in force. Since the Commission is to look into the basic problems facing the Postal Service, there should be no changes in the Postal Reorganization Act which preempt the Commission's review of current postal policies

or changes which compromise the independent status of the Postal Service by placing restrictions on postal operating flexibility that are unacceptable to the Postmaster General. In this regard, we understand that the Committee has reached an agreement with the Postmaster General.

I hope that the above information will be helpful in clarifying the Administration's position.

Sincerely,

DANIEL P. KEARNEY,
Associate Director for
Economics and Government.

Mr. FONG. The "postal package" was reported favorably by the Senate Committee 8 to 1. It is a bill which combines the ideas of those who have worked hard to meet the realistic problems of the Postal Service. It is designed to reconcile the disparate views of the parties, with the full realization that no one person's judgment is necessarily the best or final answer to the problems at hand. It is a compromise in the highest sense of the word. But most important, if the proposed legislation is passed as it is, without any changes, it can and will become law soon—the sooner the better because of the severe strains under which the Postal Service is currently operating.

I wish to underscore the seriousness of the problems facing the Postal Service, and therefore, the necessity for early action to relieve the mounting pressure on the postal system.

BACKGROUND

I believe a brief review of how the Postal Service got where it is today might be helpful in understanding the approach we have taken in H.R. 8603.

When the Postal Service was created as an independent establishment of the executive branch by the Postal Reorganization Act of 1970, there were high expectations for its success. The reorganization was recommended by a Presidential Commission appointed to study the causes of major breakdowns in postal operations in the 1960's.

The Commission believed that if postal management were freed from the operating constraints that plagued the old Post Office Department, it would be able to overcome its problems and operate the system in a more business-like manner. It was predicted that, through improved performance, substantial cost savings would result—so substantial that the Postal Service would achieve financial self-sufficiency by 1984. Postal rates were to be adjusted upward until they covered costs, and subsidies to all classes of mail thus were phased out. It was even considered possible that there would no longer be a need for the Congress to appropriate funds to cover so-called public service costs—those costs associated with providing service in communities where the post office is not deemed to be self-sustaining. Persuaded by these arguments, Congress overwhelmingly approved the reorganization act.

These optimistic expectations have not yet been realized. Analyses made by the General Accounting Office, the Congressional Budget Office, and the Postal Service itself place most of the blame for the Service's poor financial performance since reorganization upon three factors—inflationary cost increases, a slow rate-

making process, and a stagnant mail volume.

A report by the Senate Budget Committee staff summarized the causes for the financial problems as follows:

First, the Postal Service is highly labor intensive (salaries are 86% of operating expenses), and between July of 1971 and March of 1976 the typical annual salary payment rose 64%; this compares with an increase of 41% in equivalent civil service salaries. Second, the 1970 Act's projection of a financially self-sufficient postal service was premised upon timely rate increases to cover increasing costs; but the six-month delay (in 1975) in enacting the most recent increase (cost in revenue lost was \$1.4 billion) is typical of the speed of the process. Third, partly due to the deterrent effect of higher rates, the growth in mail volume has slowed considerably and caused the Postal Service's revenue projections to fall far short of expectations. For example, in 1968 the Kappel Commission had projected 1975 mail volume at 110 billion pieces; and in February of 1975 the GAO projected it at 93.1 billion pieces; actual 1975 volume was 89.3 billion pieces.

An impartial, thorough evaluation of the performance of the Postal Service was completed in March this year by the General Accounting Office. In testimony before the Senate Post Office and Civil Service Committee, the GAO—which has issued 160 reports on a wide range of postal topics during the Postal Service's existence—summarized its evaluation as follows:

Mail delivery standards, as established by the Postal Service, are generally being met;

Rates may be getting close to the unacceptable level;

Self-sufficiency has not been attained and there are no immediate prospects of doing so; and

The lot of the postal employee has been greatly improved.

This forthright assessment of the Postal Service leaves much room for improvement in certain areas. At the same time, however, it is a long step forward in comparison with the old Post Office Department that was in deep trouble before it was replaced.

In view of its long and close monitoring of the postal system—which is more extensive than that by any other agency—the GAO's position on legislation to deal with the Postal Service's problems is important. The GAO believes the Postal Service needs financial relief; it endorses expediting the ratemaking process; and it supports the establishment of an independent postal study commission. In general, H.R. 8603, now before the Senate, embodies the type of legislation recommended by the GAO.

WHY H.R. 8603 SHOULD BE PASSED NOW

H.R. 8603 is a carefully balanced and thoroughly considered measure. It has the overwhelming, favorable recommendation of the Senate Post Office and Civil Service Committee. It has the endorsement of postal committee leaders in the House. It is legislation urgently desired by the Postmaster General, and generally by the postal unions and the rank and file employees. And the bill is acceptable in its present form to the administration, without whose support it is unlikely this type of postal legislation can be enacted into law.

This legislation provides a "breathing spell" which will pave the way for serious and thoughtful deliberations which would not be possible for Congress during the limited time remaining in this election year. Hence, we implore our colleagues to withhold their amendments to this bill until next session, when more time will be available for thorough and careful consideration of them.

I repeat: Because of the shortness of time remaining in this election year session of Congress, I hope every effort will be made to forgo amending the bill before us. Not only will this assure early enactment of H.R. 8603; this bill may be the only acceptable measure, and this is the last opportunity this year for Congress and the administration to work out urgent legislation to save the Nation's postal system.

Therefore, I strongly urge swift approval of H.R. 8603.

I yield the floor, Mr. President.

UP AMENDMENT NO. 366

Mr. RANDOLPH. Mr. President, I have an amendment at the desk. I ask for its consideration.

The PRESIDING OFFICER. The amendment will be stated.

The second assistant legislative clerk read as follows:

The Senator from West Virginia (Mr. RANDOLPH) proposes an unprinted amendment numbered 366.

Mr. RANDOLPH. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the bill, add the following new section:

SEC. 9. (a) Section 404 of title 39, United States Code, is amended by inserting "(a)" immediately before "Without" and by adding at the end thereof the following new subsection:

"(b) (1) The Postal Service, prior to making a determination under subsection (a) (3) as to the necessity for the closing or consolidation of any post office, shall provide adequate notice of its intention to close or consolidate such post office at least 60 days prior to the proposed date of such closing or consolidation to persons served by such post office to insure that such persons will have an opportunity to present their views.

"(2) The Postal Service, in making a determination whether or not to close or consolidate a post office, shall consider—

"(A) the effect of such closing or consolidation on the community served by such post office;

"(B) the effect of such closing or consolidation on employees of the Postal Service employed at such office;

"(C) whether such closing or consolidation is consistent with the policy of the Government, as stated in section 101(b) of this title, that the Postal Service shall provide a maximum degree of effective and regular postal services to rural areas, communities, and small towns where post offices are not self-sustaining;

"(D) the economic savings of the Postal Service resulting from such closing or consolidation; and

"(E) such other factors as the Postal Service determines are necessary.

"(3) Any determination of the Postal Service to close or consolidate a post office shall be in writing and shall include the findings of the Postal Service with respect to the con-

siderations required to be made under paragraph (2). Such determination and finding shall be made available to persons served by such post office.

"(4) The Postal Service shall take no action to close or consolidate a post office until 60 days after its written determination is made available to persons served by such post office.

"(5) A determination of the Postal Service to close or consolidate any post office may be appealed to any court of appeals of the United States within 30 days after such determination is made available to persons served by such post office under paragraph (3). The court shall review such determination on the basis of the record before the Postal Service in the making of such determination. The court shall hold unlawful and set aside any determination, findings, and conclusions found to be—

"(A) arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with the law;

"(B) without observance of procedure required by law; or

"(C) unsupported by substantial evidence on the record.

The court may affirm the determination or order that the entire matter be returned for further consideration, but the court may not modify the determination. The court may suspend the effectiveness of the determination until final disposition of the suit by the court."

(b) The amendment made by this section shall take effect on the day after the date on which the Commission on Postal Service transmits its final report under section 7(f) (1) of this Act.

Mr. RANDOLPH. Mr. President, we have eight sections in the pending bill, as reported from the committee to the Senate. I seek to add a ninth section, section 9. In that amendment, I would, in a sense, be supplementing the moratorium which is contained in the bill as reported from the committee. Under the present moratorium on the closing of post offices—the smaller offices really, that is the problem in the rural areas of the country—there would be no action taken until the 15th of February 1977. Beginning on the 16th of February, my amendment, if it is adopted, would move into another area. I think there is a very real reason to go beyond just the moratorium which is contained on page 28 of the bill, H.R. 8603, which is pending in the Senate.

Under this amendment, the Postal Service, prior to a determination on the closing or consolidation of any post office, would permit patrons the opportunity to present their views on such a proposed closing. This insures that these postal patrons have the opportunity to make their views known—in actuality, to be participants in the process of either continuing the office or having the office ultimately closed. Sixty days of advance notice would be given to postal patrons.

In making the determination of whether or not to close or to consolidate a post office, the Postal Service would have to consider oral and written testimony that would be presented. The effect that the closing or consolidation of a post office has on the community must be a part of the determination and must be considered. The effect on the employees who are working in that post office would also be a consideration.

I understand that the Postal Service

will be interested—and properly so—in the provision dealing with economic savings resulting from such a closing.

Our amendment, the amendment I present, reiterates the need for consistency in carrying out the intent of the present statute.

I am not going to say that the Postal Service is presently in violation of the law. But the language of section 101(b) of title 39 of the United States Code, Mr. President, requires the Postal Service to provide a maximum degree of effective and regular postal services to rural areas, communities, small towns where post offices are not self-sustaining.

There are small post offices, we know, that are not self-sustaining. But, very frankly, the Postal Service itself as a whole is not self-sustaining. In this bill there is a request, of course, for money from Congress so as to carry forward the postal services. It is \$1 billion to be exact.

But I refer here to the small towns—and I emphasize this—the rural areas, these communities in the countryside where these offices are not self-sustaining. They in many, many instances must be maintained.

At the completion of the review, my amendment would require the Postal Service to place in writing its findings, which shall be made available to the patrons, the persons, served by that post office. No action to close or consolidate a post office would be permitted until 60 days after this written determination is made and, of course, announced or delivered to the patrons.

If the patrons of that office disagree with the determination to close that office at a certain time or to consolidate that office, an appeal procedure is included in my amendment which goes to the courts for a decision.

The amendment, I believe, is a very meritorious approach to this problem.

We have a letter, as I discussed earlier with the able chairman of the committee, from the Postmaster General, Mr. Bailar, in which he says he has no intention of closing these offices of the type that I mentioned, pending action on this legislation, H.R. 8603 and this moratorium which runs until February 15. But I want to go beyond that.

I think it is necessary to go beyond that and set up a permanent procedure. I think the amendment should be adopted.

I would really hope that the managers of the bill would agree to this amendment. I think it does no harm to the measure as reported from the committee. It is a further assurance, let us say, to these small post offices in the rural areas that there will be set procedures on closings.

THE PRESIDING OFFICER. Who seeks recognition?

Mr. McGEE. Mr. President, I would like to say for the record that the distinguished Senator from West Virginia, a member of the committee, and I have discussed this at some length. There is indeed a very legitimate and deep concern in the point that the Senator's amendment would make in terms of pro-

tecting the small local communities and their post offices, and we all are in that camp.

We think there is a place for the small post office that far exceeds just the material factor of postal service.

The problem that this amendment poses for the committee is simply the agreement that we put together to make it possible to hold the line against postal closings, against rate increases, against service cut-backs, and that has all been nailed down with the Postmaster General, with the White House and Office of Management and Budget, and that is the basis for the compromise agreement that we have here.

None of us are exceedingly proud of it. It was the best that we could get in order to hold the line until we opened wide, with no holds barred, the whole question of the Postal Service as soon as everybody gets out of this particularly busy political year.

So I oppose the amendment with reluctance, I say to my colleague, but I feel honor bound as one of those involved in trying to find a common denominator agreement by which we can avoid postal closings the remainder of the interval to the 15th of February as included in the compromise or avoid further cutbacks in services or avoid new increases in rates. There was no other way we could nail that because of the many factors involved.

On that ground I would say with reluctance that I would have to oppose the Senator's proposal at this time because it does change the mechanism which was a part of the operation involved in the machinery under the present postal law.

The other thing is we have from the Postmaster General that letter which Senator RANDOLPH and I have agreed should be in the RECORD at this point or at an earlier point in this colloquy, and that should be a sufficient assurance to protect us from closings, to try to put in a mechanism that would protect against future closings after the 15th of February which would be properly involved in the recommendations of the Commission and the will of Congress as it proceeds to legislate its will upon receipt of the Commission's special report as envisioned by the President.

So on those terms—and I think the Senator understands this fully—the committee would have to oppose the amendment at this point in time. It properly belongs as soon as the report is made to the Congress on the Postal Service.

Mr. RANDOLPH. Mr. President, I understand the chairman's argument. I think he is in error in indicating that this amendment would seem to throw out the arrangements that have been made with the committee, the ranking minority member and the able chairman, the Postal Service and the administration.

Yet I would remind him that as far as I am concerned, I had no such agreement. I do not want to be misunderstood. I have felt in doing this I am really helping in a sense the situation.

It is my desire to establish a mechanism, which is a very simple one. It is not involved, and I think Members of Congress, the Senate, and, hopefully, the House would look with favor on the amendment.

I would hope that the chairman would decide not to table the amendment or offer such a motion, but would give us an opportunity here to vote the amendment either up or down.

Mr. McGEE. I have no objection to offering or to voting any kind of amendment up or down. I think under the preconditions in which the committee brought forth this unhappy child, which is the compromise, it is no man's child, or is the product of many efforts.

In the words of the distinguished Senator from Rhode Island who just walked in, it is the art of the possible. It is the art of the possible and it is as simple as that.

If this amendment were to be adopted by the will of the Congress in whatever way we care to vote this afternoon, it would require a veto under the terms of the compromise that was negotiated.

With all of the amendments in the proposal, I think a great many Members of Congress think it is a sort of thing that should be in the new postal system. But our limitation here, may I say to my colleagues, is that anything that goes beyond the 15th of February, beyond the terminal point for the Commission that is to be appointed if this is adopted, prejudices whatever that Commission should choose to report.

Second, depending upon what Congress legislates, it likewise sticks out alone as a factor that may not be relevant when a new system is put together. We do not know and we dare not prejudice.

So I feel compelled to have to move to table on that ground, as a matter of honor, because of the commitment made to work out a compromise.

Mr. PASTORE. Will the Senator yield?

Mr. McGEE. Yes.

Mr. PASTORE. The Senator from Rhode Island cannot walk into this Chamber without somehow becoming involved.

Mr. McGEE. So what is new?

Mr. PASTORE. But I will say this. I think the plan being suggested by my good friend, Senator HOLLINGS, would be a better answer to this problem if we could achieve it.

If we could possibly achieve it, I think it is a better answer.

Let us face it. This transition to privacy, or private venture on the part of the Post Office, has been a disaster. In my humble opinion, it has been a disaster.

Here we are, after all these grandiose promises that were made, let us run as a private venture, it will not cost the taxpayers any money. That has fallen flat on its face. Here we are talking about appropriating either \$500 million or \$1 billion, and it has been conceded that even \$1 billion will not take care of the problem. That is where it stands now.

But we have been told very flatly and very clearly that if the Hollings amendment is agreed to, in all probability there would be a veto.

Practically everybody who works for the Post Office has been aroused over the fact. I have been receiving a lot of mail like everybody else.

As I understand it, the Senator from Wyoming, the chairman of the committee, has taken the position—and he has worked out this compromise—that this is not the end of the problem, this is not the ultimate solution to the problem, but this will stay until we have an election of a President.

Naturally, if Mr. Ford is reelected, in all probability we might have to do it his way. On the other hand, if Mr. Carter is elected President of the United States, I think we ought to give him a chance to take a good look at it.

This would be, more or less, a respite or an interlude between the disaster and the hope. That is about all we have here, a hope.

Mr. RANDOLPH. May I comment, while the Senator from Rhode Island is in the Chamber?

Mr. McGEE. Yes, I yield.

Mr. RANDOLPH. We are considering an amendment I have offered, which is not the overall program of the able Senator from South Carolina. But I am simply trying to insure that the smaller post offices of the United States in the rural areas of the countryside, the very small towns, are not closed.

I am not going into other issues.

Mr. PASTORE. If the Senator will yield, when we had the conference on this matter, I was made to understand that the purpose of this respite was to insure these post offices would not be closed down. That is the reason why we are putting up the money, to make sure that that will not happen. If my understanding is incorrect, I would like to be corrected on it.

But the point here is that there is no need trying to shake down this compromise through fear, because if we do, we might jeopardize getting this relief which must be granted at this time. I say frankly, put up the money or the price of the stamp is going up.

The public is going to be aroused and we are all going to be deluged with mail. There is no question about it.

Mr. McGEE. Is the Senator through?

Mr. RANDOLPH. I just wish to say that I think the President would sign the bill if my amendment is included.

Mr. McGEE. The Postmaster General recommended it not be signed if the Senator's amendment is included.

Mr. RANDOLPH. I can understand.

I think I have proven in 38 years in the Congress my belief in a postal service that functions and of a postal service that is strong. I will not go into all that.

I would not offer something that is "a tearing apart proposal."

I am really disappointed that the able Senator will not accept this situation as a real way in which we can establish a procedure after February 15. This does not go to all the options of the bill as a whole.

I would be very surprised, in fact I would be shocked, if an amendment of this kind, a very simple amendment, a very easily understood amendment, a modus operandi that is very plain in giving people a chance to be heard for 60 days, is something that would tear apart this agreement.

I cannot believe that is true.

Mr. McGEE. Their view is, very seriously, that it is because it starts after the 15th of February and prejudices an area of improved procedure that the Commission is supposed to make a judgment on in terms of its overall approach to the problem. Therefore, they really feel very strongly that we should not try to freeze that beyond the restructuring. We do not know what the total restructuring may be. It may have no relationship to this in any way, even the restructuring made to use some other division of the problem of the Postal Service.

So that is the only reason, and it is with reluctance I have to keep insisting that this falls into the category of those changes in the mechanism, that the principle of prejudgment, before the report, would be done violence to.

Mr. FONG. Will the Senator yield?

Mr. McGEE. Yes.

Mr. FONG. Mr. President, this amendment goes far beyond anything we have. This amendment really ties the hands of the Postmaster General.

Before he can close a post office or consolidate a post office, he has to go through a lot of actions.

Let us look at what he has to go through before he can close or consolidate a post office forever. If this amendment goes through, it is forever. It is not tied to that period where we await the report of the Commission.

If he wants to close or consolidate a post office, he has to give 60 days' notice to the patrons.

The Postal Service, in making a determination of whether or not to close or consolidate a post office, shall consider:

- (a) The effect of such closing or consolidation on a community served by such post office.
- (b) The effect of such closing or consolidation on employees of the Postal Service employed at such offices.

There is no question, if we close or consolidate the post office, it will affect the employees.

- (c) Whether such closing or consolidation is consistent with a policy of the Government associated in section 10(b) of this title, that the Postal Service shall provide a maximum degree of effective and regular postal service to rural areas and small towns where they are self-sustaining.

That is in the present law.

The economic savings to the Postal Service resulting from such closing or consolidation are considered, and then the Postal Service has to weigh such other factors as they determine are necessary. Determination of the Postal Service to close or consolidate post offices shall be in writing and shall include the findings of the Postal Service.

I have no objection to that.

If the Postmaster should decide that he will close a station, he can be taken

to court. When we passed the postal reorganization bill we wanted to give the Postmaster a free hand, but we told him to follow certain guidelines in these small post offices, and he should not go helter skelter in closing post offices willy-nilly. I think he has been pretty fair and reasonable in closing and consolidating post offices. In this amendment he can be taken to court for a decision as to whether it was right for him to close a post office or not. The court could reverse him.

On one hand, we are trying to make the post office an efficient organization. We say it is losing money, that it has to be more efficient, that they should consolidate some of the post offices. For the period between the time when this bill is enacted and the Postal Commission comes and reports its findings, there will be no closing of any post office that has more than 35 patrons. For any post office that has less than 35 patrons, if 60 percent over 18 years of age say no, they cannot close the post office. We have gone pretty far in this bill.

Mr. BUCKLEY. Will the Senator yield for a unanimous-consent request?

Mr. McGEE. I promised to yield to the Senator from South Carolina.

Mr. HOLLINGS. I thank the Senator for yielding.

I would ask the distinguished chairman about the agreement, as I understand it, since it is so precise, so as not even to allow a clarifying and what I would deem to be a very worthy amendment with respect to closings. This is the same as the intent of the Senator from Wyoming, that the small post offices would be protected. Yet the agreement he has firmed up between the administration and the House, which is before the Senate, I think in fairness to my colleagues should be made clear. The agreement is so precise and exact that we cannot have the kind of an amendment the Senator from Wyoming would ordinarily agree to, as presented by Senator RANDOLPH. For my information, and for the information of my colleagues, with whom did the Senator talk in the administration to bind the administration?

Mr. McGEE. At the request of the President, Mr. Jim Lynn, of the OMB, was the official spokesman and the runner with the various terms in the negotiations between the White House and the Congress.

Mr. HOLLINGS. The Senator did not talk to the President himself?

Mr. McGEE. Not on each of these points. We have had conversations with the President that go back a long time on the broad postal measure, but this has nothing to do with hammering down the details of this particular agreement.

Mr. HOLLINGS. When last did the distinguished chairman discuss postal affairs with the President?

Mr. McGEE. I think the last conversation we had in the Oval Office, excluding any informal meeting socially, would have been at the time of the hearings last winter.

Mr. HOLLINGS. So the Senator has not heard directly from the President?

Mr. McGEE. As directly as we need to hear by the man we all agreed would

carry the messages. The President had two or three other problems confronting him all during this interval and could not afford to have us sit down and discuss each participle that we stuck in the agreement. Therefore, he requested that that Mr. Jim Lynn transfer those messages and translate the President's intent. Ours were then sent back to Mr. Lynn who then met with the President and brought back the direct communication from the President.

Mr. HOLLINGS. But there are certain facts that cannot be disregarded. The difficulty of the Postmaster General himself to talk with the President on postal affairs is well known. In fact, he testified before our committee. When was that, in April or May?

Mr. McGEE. He testified to that effect in March.

Mr. HOLLINGS. He testified that he had called the President and the OMB intermittently, the White House and the Office of Management and Budget, some eight times without even a return of his calls. Since that time presumably, the Postmaster General has gotten in touch with OMB and they, in turn, told the chairman they negotiated with the President?

Mr. McGEE. And he also testified that he had a conversation with the President.

Mr. HOLLINGS. But the chairman has not talked with him since last winter?

Mr. McGEE. That session was had with the President as to what we could get through with respect to law and change.

Mr. HOLLINGS. Now this agreement would not allow even as simple an amendment as that proposed by the Senator from West Virginia. With whom did the chairman speak and negotiate the so-called compromise on the House side?

Mr. McGEE. On the House side the discussions involved the chairman of the House Post Office and Civil Service Committee, Mr. HENDERSON; the ranking minority member, Mr. DERWINSKI, and chairman and ranking minority member from the Postal Operations Subcommittee. They were the ones who were represented in these negotiations.

Mr. HOLLINGS. And the chairman talked with those three Members, fully aware—

Mr. McGEE. Four House Members. The two on each of the full committee and the subcommittee.

Mr. HOLLINGS. Two being Mr. HENDERSON and Mr. DERWINSKI. Who were the other two?

Mr. McGEE. Jim Hanley and Albert Johnson.

Mr. HOLLINGS. And the distinguished chairman was fully aware at the time he had those conversations that they had made a similar proposal to what is now in the so-called compromise to the House on two occasions and had that voted down, is that correct? Let us get one point at a time. It is very difficult. I have been here since early this morning and I have been ready. In fairness to our col-

leagues, I want to inquire into the so-called compromise, as to what it is, who the chairman discussed it with on the House side, and whether he has a valid enforceable agreement or compromise. He talked to four Members on the House side and they were voted down last October. Is that correct?

Mr. McGEE. They were not voted. Another proposal was submitted to the House in October of last year and the House supported the Alexander amendment, as the Senator knows full well. That had no relationship to the impasse that was reached when the Senate opened its hearings on the full area, including the Alexander amendment proposal. The point was that we then got the message that there would be a veto. Our problem was to decide whether to buy the veto and use it as a campaign issue or to try to keep the Postal Service from closing more post offices, to try to avoid further rate increases, to try to avoid further service cutbacks after all of this hit the fan. That is the basis for the compromise. It has nothing to do with the Alexander amendment of last October. It has nothing to do with any of the other proposals that are now being fielded. It was an attempt to find something to hold this together until we all have time when we get back after the election to spend a full go at it, to reexamine and reopen the entire postal system structure and its related problems. That is what it is all about.

Mr. HOLLINGS. I will ask for the yeas and nays on the amendment of the Senator from West Virginia. That is what he wants to ask for.

Mr. RANDOLPH. That is what I was trying to ask for.

The PRESIDING OFFICER (Mr. BAKER). Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. HOLLINGS. The Senator is talking about the veto of the President. I am discussing the veto of the House of Representatives. The House of Representatives did have a financial assistance program without the appointment of the Postmaster General, without the salient features, without the annual authorization, and here came this Alexander amendment supported by members of the Post Office and Civil Service Committee.

After they had an overwhelming vote on that particular score, they took that bill back into the committee to work it over, to see if they could get a similar type compromise to divest them, if you please, of the Postmaster General's appointment, and also the annual authorization. They brought it back, and lost again.

Is the Senator familiar with—well, I ask unanimous consent to have printed in the RECORD this statement by five Representatives when they introduced legislation on the postal financial problems without further cutbacks, and rejecting Senator McGEE's "compromise" proposal.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

FIVE CONGRESSMEN INTRODUCE LEGISLATION TO MEET POSTAL FINANCIAL PROBLEMS WITHOUT FURTHER CUTBACKS; REJECT SENATOR McGEE'S "COMPROMISE" PROPOSAL

Congressmen Charles H. Wilson (D-Calif.), Bill Alexander (D-Ark.), Richard C. White (D-Tex.), Patricia Schroeder (D-Colo.), and John Jenrette (D-S.C.) announced today that they completely reject Senator Gale McGEE's version of postal legislation which originated in the House last year, and that they have introduced a new bill which would appropriate \$500 million to the Postal Service this year to prevent further service cutbacks such as post office closings. The Representatives said that the Postal Service's acute financial difficulties warrant such an appropriation, but they also emphasized that real postal reform in the House-passed bill (H.R. 8603) requiring annual Congressional appropriation of postal funds and direct Presidential appointment of the Postmaster General with the advice and consent of the Senate must be approved by the Congress this year. Senator McGEE, Chairman of the Senate Post Office and Civil Service Committee, has said that the White House would veto money for the Postal Service if any accountability requirements were also included, and therefore McGEE developed a "compromise" proposal to give the Postal Service one billion dollars over two years with no service cutbacks before next February, but also no provision for greater accountability for postal managers to the Congress or the President.

"We think it's ridiculous for Senator McGEE to refer to his plan as a compromise. The fact is it would amount to having the Congress walk away from its responsibility to regain some control over postal operations and the American people will not stand for it," the Congressmen said.

"Senator McGEE says that we must gut House-passed legislation which will restore some reasonable degree of accountability to postal operations in order to provide short-term, emergency funds to the Postal Service. This is nonsense. We can appropriate the money needed for this year through the legislation we have introduced today," the Representatives said.

"Senator McGEE obviously does not discern a difference between compromise and surrender, nor does he have any grasp of the magnitude of concern most Members of Congress have about the Postal Service," they said. "This is not surprising, of course, since the Senate Post Office and Civil Service Committee has held only a handful of oversight hearings on postal matters in the last four years."

"We're afraid that the conventional wisdom now held is that Senator McGEE has presented an unpalatable fait accompli. It's a bad bill, but there's nothing that can be done. It's the only game in town. Well, we suggest that there is an alternative. We should simply do what the American people are demanding—regain some control over the Postal Service—and, if necessary, separately make an appropriation for this year."

"When H.R. 8603 reaches the Senate floor next week we would urge Senators who have any concern about the sorry record of the U.S. Postal Service since it became a quasi-business operation in 1971 to oppose the McGEE approach and vote to reinstate accountability requirements approved by the House," they said.

H.R. 8603 as passed by the House last October 30, requires the annual appropriation of all postal revenues, and requires the Postal Service to present comprehensive statements of postal operations to the Congress when it requests such appropriations.

The bill revises the method of appointment of the Postmaster General and the Deputy Postmaster General, requiring that

both positions shall be appointed by the President, by and with the advice and consent of the Senate.

The Postal Service is required to provide door delivery to each permanent residential address (excluding apartments) wherein the appropriate unit of local government has adopted zoning ordinances prohibiting the construction of curbside mail boxes.

The bill also would create a five-member "Commission on the Postal Service" to identify and study the "public service aspects" of the Postal Service, and other aspects about the Service. This Commission would transmit quarterly reports to the President and Congress and make its final report within two years.

Senator McGee's version of this bill would drop all of the above-noted provisions and simply give the Postal Service one billion dollars in exchange for not cutting back service before February. (The McGee version does include a so-called "blue-ribbon" study Commission which would be required, despite the absence of clear-cut directions and an impossible deadline, to make some kind of report before February, as well.)

Congressman Wilson has served on the House Post Office and Civil Service Committee for over a dozen years. He has been Chairman of the Postal Facilities, Mail, and Labor Management Subcommittee since early 1973.

Congressman Alexander is a member of the House Appropriations Committee. In the 93rd Congress, Alexander served as Chairman of the House Agriculture Subcommittee on Rural Development and conducted hearings on the effect of national postal policies on nonmetropolitan America. Alexander authored the amendment to the House bill that would return postal purse strings to the Congress.

Congressman White, who has served on the House Post Office and Civil Service Committee since 1967, chairs the Subcommittee on Retirement and Employee Benefits.

Congresswoman Schroeder is Chairwoman of the Census and Population Subcommittee of the House Post Office and Civil Service Committee.

Congressman Jenrette serves as a member of the House Committee on Post Office and Civil Service.

Mr. HOLLINGS. Addressing myself to this document, is the Senator familiar with those particular House Members having introduced, in accordance with section 2004 of the Postal Reorganization Act, H.R. 14963, to just appropriate some \$500 million, for which no authorization is really necessary? Is the Senator familiar with that particular bill that has been introduced in the Ways and Means Committee over there?

Mr. McGEE. That bill, I am advised, they have not acted on yet. They introduced it in the House of Representatives.

Mr. HOLLINGS. That is right; and they introduced it, if you please, to be a backstop should there be a veto, because they have taken an adamant position that they are going to veto the McGee proposal, should we all just go ahead right now, bam, bam, bam, and vote on it as the Senator from Wyoming requests, and send it immediately to the House without amendment.

I understand the Senator's desire to work out compromises but in this particular case there is no question in my mind but that he is talking to the wrong group—certainly not the group sponsoring the legislation a House majority has voted for on two occasions.

These are the words of CHARLIE WILSON, BILL ALEXANDER, RICHARD C. WHITE, PATRICIA SCHROEDER, and JOHN JENRETTE. All of them, except ALEXANDER, are members of the Post Office and Civil Service Committee on the House side. I quote from their statement:

We think it's ridiculous for Senator McGee to refer to his plan as a compromise. The fact is it would amount to having the Congress walk away from its responsibility to regain some control over postal operations and the American people will not stand for it.

I am not going to read the entire matter, but this is pertinent to the point the Senator from Wyoming was making.

I quote further:

Senator McGEE says that we must gut House-passed legislation—

That is H.R. 8603, the bill now before the Senate—

which will restore some reasonable degree of accountability to postal operations in order to provide short-term, emergency funds to the Postal Service. This is nonsense. We can appropriate the money needed for this year through the legislation we have introduced today.

That is the bill which I previously referred to, H.R. 14963.

Senator McGEE obviously does not discern a difference between compromise and surrender, nor does he have any grasp of the magnitude of concern most Members of Congress have about the Postal Service. . . .

We're afraid that the conventional wisdom now held is that Senator McGEE has presented an unpalatable fait accompli.

Almost the way the Senator is now presenting it on the floor.

It's a bad bill, but there's nothing that can be done. It's the only game in town. Well, we suggest that there is an alternative. We should simply do what the American people are demanding—regain some control over the Postal Service—and, if necessary, separately make an appropriation for this year.

So now, as this statement says, it is so ridiculously worked out it is obvious—and I have been over on the House side to try to get a feel, because I did not want to waste the time of the Senate—

Mr. McGEE. I understood the Senator has been over on the House side.

Mr. HOLLINGS. That is right, and I wanted to talk to those Members. I have talked to the leadership over there, and tried to get a feel. I cannot tell exactly. I would not want to be the expert to try to say that it will pass or will not pass, but if we have a Presidential veto of H.R. 8603, which the Senator from Wyoming wishes to amend, but does not want anybody else to amend—I repeat, which the Senator wishes to amend but does not want anyone else to amend—the principal sponsors of H.R. 8603 say it is ridiculous, it is nonsense, and I agree with them on that particular point. And if there is any measure in the end instance, I repeat, if the President does veto it, they say, "We are introducing the \$500 million appropriation, which does not require any authorization, so they can stay solvent."

So there is no emergency now, and we simply have a question of whether Congress or the Blue Ribbon Commission is

going to do this job. The House says we are going to have to go back to work.

Mr. McGEE. Mr. President, will the Senator yield?

Mr. HOLLINGS. Yes.

Mr. McGEE. Let me make two points in regard to the Senator's remarks just now.

First, my distinguished colleague from South Carolina alludes to the fact that the House of Representatives has already passed judgment on this matter twice.

The House had nothing like this compromise to pass judgment on. What we are passing judgment on now is a compromise that was worked out with at least five sources of responsibility in postal affairs. They had no knowledge at that time—none of us did—that we were going to come up against the impasse of a veto and getting nowhere, at the same time we were being faced with mass closings of post offices, rate increases still in the offing, and a service cutback.

Because of the year, in which everybody was running for President in one party or the other, or they were running their own races back home, we felt we either had to play the old veto route and try to make a campaign issue out of it, letting the post office fall apart in the process, or take a more sensible route and try to stabilize it temporarily. I underscore temporarily.

We do not take pride in the compromise. It was the best that honorable men could put together, that they could all agree to.

Who agreed to it? The White House agreed to it. The Office of Management and Budget agreed to it. The House Members who are responsible for the legislating authority in postal affairs; the chairman, the ranking minority member, the chairman of the subcommittee, and the ranking minority member agreed to it.

That is as far as I am going to go on the House side. God help us all over here if we are going to tell the House what they think, or how to proceed. We do the best we can do in a responsible way to try to get the Senate to make its judgment on its responsibility. The House must make its own judgment.

It was the judgment of the leadership of the committee in the House of Representatives that the leadership on the House floor would be supportive, that they believed that when all the chips were down, as late in the year as it is, as far down the road in the campaign as it is, with every House Member standing for reelection, that this would be a sensible way to go about it. No one of them had enough time to devote, now, to reexamining the entire postal structure.

You cannot just half reorganize the postal structure. It ought to be done in an orderly fashion, instead of simply taking my preferences, Senator RANDOLPH's, or Senator FONG's; it ought to be reworked in the light of all the experience we have had over these past 6 years with postal reorganization.

We admit nothing with this proposal. We are simply trying to hold the line and stabilize it until we can get back here

after this political year, and then go at it full tilt, no holds barred, I guarantee the Senator, to reexamine it. That is the responsible way, I submit, to go at the problem of reorganization and determining what is in the public interest, I submit to my colleague, regardless of the arguments of five Members over on the House side, whether it is a compromise bill or whatever you want to call it.

They were not involved in the impasse that was reached and having to face up to the consequences of that impasse, as were those who were in charge of the committee whose jurisdiction it was over there. That is the House of Representatives problem. But our problem has to be do we evaluate it from the point of view of Senators, rather than what the House of Representatives is or is not going to do. Every one of the gentlemen who were cited by my colleague from South Carolina have long been opposed to this measure. They have long been opposed to any kind of a compromise. That is understandable. And it is an honorable opposition.

But our petition is not to disallow what they would propose to do but simply say to them:

Let us throw it into the hopper with everything on reorganization at the time when everyone has gotten out of the business of a campaign year and we get back and go to the mat with the full question.

This is no way to be restructuring something as massive as a national monopoly, the Postal Service of the United States. So our request is that we simply hold the line with the compromise until February 15, at which time the report to Congress and to the President will have been submitted. It seems to me this is nothing that gives away anything. It simply gives us the chance to do in a more responsible way whatever it is in our collective wisdom we decide to do.

Mr. FONG. Mr. President, will the Senator yield?

Mr. McGEE. I am glad to yield, but the Senator from South Carolina has the floor.

Mr. HOLLINGS. Yes.

I say to the Senator one more time, though, that this group that he says will not compromise, fortunately or unfortunately, represents a majority in the House. True, if there were four Senators or five Congressmen, as we now cite it, who represent a minority rather than the majority view of the House of Representatives, then I could understand him not going to them about the compromise, but they are the ones who prevailed.

I sent for the original H.R. 8603 as introduced. I have here a summary from the RECORD at the end of October which virtually takes up over a page and the Chairman said they did not have these matters before it.

I am going now to the point made by the distinguished chairman, that is, they just did not have these matters.

They had these matters fully last fall almost a year ago. In fact, H.R. 8603 was introduced in July, and we had plenty of time to go full tilt, as the distinguished chairman says, and we have not done so.

But they have an amendment to place a limit on the kinds of material to qualify

for second-class mail, an amendment that reduces the temporary rate from 33 to 20 percent, an amendment that sought to provide for an annual authorization, which incidentally passed, an amendment that sought to limit the number of postal rate increases, an amendment that sought to require that each class of mail bear the postal cost attributable to it, an amendment to protect charitable and nonprofit mail from increased postal rates, an amendment that sought to repeal private express statutes, down to an amendment for a grant of free postage for mailing to voters.

They went to everything up and down the entire gamut, coming out originally, which will be seen when I get that original bill. This is very interesting to me, because we were debating H.R. 8603. The amendment of the Senator from Wyoming is in the nature of a substitute to H.R. 8603, and here in the Senate Chamber I cannot obtain a copy of H.R. 8603. That is all I want in my hand. I wish to show the Senator not just what passed the House of Representatives, but also what was introduced originally.

I have H.R. 8603 as it passed the House of Representatives.

Has the aide to the Senator from West Virginia the original bill? That is right. I want the original bill to show just exactly what the House Committee on Post Office and Civil Service submitted for consideration.

I say to the Senator that, if he goes back there in July, he will see that they had the same idea as the Senator from Wyoming and the Senator from Hawaii, they wanted to get us by, to give them the money, and certainly not go back appointing a Postmaster General, annual authorization, and everything else. They had some provisions with respect to rates which stayed in. I am referring there to delivery of mail by nonprofit organizations. They had some other provisions that the Senator had in the original bill which were interesting to me, having served with the distinguished chairman. As we sat down, he will remember, when this bill was submitted, presently his amendment No. 2844, it had different provisions in there with respect to college catalogs.

We were in the committee and we were told let us not have any amendment. We agreed and worked it out. We changed around that commission in committee. We changed around the matter of college catalogs in committee, and we made some changes in the committee after the agreement was made to the compromise by the distinguished chairman. I do not see why, as committee members, having been able to get a little amendment in, as the Senator from West Virginia is trying to do this afternoon, we could do it as committee members but cannot do as Members of the Senate not on the committee.

But this was fully discussed, and this was supposed to have been debated, as the Senator well knows, the last week of July. We both went over there and they discussed it.

Let me jump then to the other point that the Senator was making as to how great the study is going to be so that

then we could have expert facts and go full tilt. The Senator from Wyoming introduced S. 2844 in January calling for a 2-year study of one subject, the public service nature of the Postal Service. Now we have come around. I do not see how, in good conscience, we can argue to our colleagues how great this blue ribbon commission is going to be when the Senator thought it necessary for a 2-year study solely on public service subsidy, to have it at best a 4-month study on everything about the Post Office including the private express statutes, the matter of the public service subsidy, the matter of rates for college catalogs, the matter of closing post offices, the matter of the economy. At best, let us say that if his compromise is agreed to this afternoon, we could not get it through to the House of Representatives, agreed on and sent over to the President by the middle of September to appoint those commissioners. The blue ribbon commission could not report to the Capital City before the 4th of October. They have October, November, December, and January, with Thanksgiving, Christmas, New Year's inauguration, and everything else put in between.

We know that we have on our own staffs the expertise because they have been working over the years. Senator FONG has had 19 years, I think he said, or 17 years, with the Committee on Post Office and Civil Service. Those staff members would have a better working knowledge on what, how, and where to do than any Johnny-come-lately to town, a blue ribbon commission coming to have their pictures taken to say: "Look what the President has done. He has appointed us."

Does the Senator really conscientiously suggest that is a good alternative to his initial approach in S. 2844 where there is a 2-year study on postal subsidy alone?

Mr. McGEE. I say to my colleague that it is better than going his route. It is not what I would have advocated, but it is what we could get. This is a different circumstance now. We do have studies in hand, a rather substantial group of them, that have since been completed by the Office of Management and Budget as they see the problems, that have since been completed by the GAO as they see the problem, and we have a number of other private groups that have studied facets of this.

This would now involve, as the administration would foresee it, taking advantage of what has been put together in the various studies and putting them all together, because some of them did not shot certain aspects of the Postal Service and tried to make it a part of the much larger whole, the post office system itself, and then from that make its recommendations.

I say to my colleague on that point that, the reason that we finally moved to February 15, a relatively short interval of time, was that by a divided vote, but nonetheless a substantial vote, we decided to put the odds on the sense of urgency rather than on the sense of just lagging along on this and putting it off for another couple of years.

I was one of those who argued for a longer period of time, but I was willing to abide by a substantial majority vote among the negotiators to put the bee on them to put the heat on. Let us get with it. This is not one of those weekend jaunts. This is not time off for various holidays. This is a matter of coming with a specific set of recommendations for the President of the United States and the two Houses of Congress.

It was the sense of urgency that really was uppermost in the final decision to place that date at the 15th of February.

Mr. HOLLINGS. The Senator would have to agree that we do have a \$920 million subsidy and we have the \$304 million that we appropriate for the phaseout on second-class mail rates, magazines and newspapers. Also, we have the \$1 billion problem that confronts us now. That is a billion dollars plus a couple of billion dollars—a little more than \$2 billion—that faces us, as Representatives and Senators, to act upon.

Does the Senator contend that the Senate can divorce itself from the oversight responsibility when we are asked to vote at this time on that amount of money for an organization that the Senator's own report calls bankrupt? The report of the Committee on Post Office and Civil Service, on H.R. 8603, says that if it were a private organization, as everybody is talking about it supposedly being, it would be bankrupt.

We are facing a bankrupt organization. We are trying to let it limp along, and we are asked, as Senators, to put up a little more than \$2 billion, but not ask any questions.

Mr. McGEE. We are asking to put up the compromise money that everybody agreed on, that Congress said should have been put up long ago, that the administration would not agree to—to put up the compromise sum of money so that it would be addressing itself to retiring a part of the debt in good faith, while we win the time, after the election, to do justice to the oversight reexamination, reassessment, and restructuring—whatever the wisdom of Congress then determines. That is far better sense than to plunge into it now, shooting from the hip, in effect, in the ways that are proposed in the conglomerate things suggested by the Senator, because of the differences of points of view—not his differences with me or vice versa, so much as basic differences in other segments of the whole process of government.

The Postmaster General is a key man in this. He is a very effective manager in postal affairs, and he has been very responsible; but there are problems he is caught up with in the event we cannot proceed and which he is required to pursue—the kinds of procedures that would bring chaos into Congress as well as into the broad expanse of the land, the closing of more post offices, the cutback of more services, the increase of rates, and without delay.

That is the reason we think that before that is undertaken, under any set of exigencies, we should have a chance to open up the full question and examine all the facets of that question in relation to each other, not one shot here and one shot there. They are all interlinked in

the final decision, whatever it may be. That is the reason for the request for what I would call reason—namely, to try to win the chance to do this right at the beginning of the new session of Congress, possibly with a new President.

Mr. HOLLINGS. When the Senator talks about looking at it in its entirety, why is it that we Senators are not allowed that but the American public is. In other words, the American public sees the Postal Service's demise in its entirety. They have had 6 years of it now, and it goes down, down the drain—as it cuts out services, cuts down on deliveries, closes post offices, increases rates prohibitively, and private endeavor is taking it over.

The American public sees it in its entirety. Why should we just look at these rates or closings but not some of the business judgments that constantly leak in white papers and 60-minute shows and Jack Anderson's columns? All one has to do is read day in and day out, and there is some reporter always coming out with another particular management booboo, a very faulty decision.

Specifically, I had the occasion to work with private industry, and I brought every great name of American industry to my home State. We have regional offices for those industries from time to time, either in Charlotte, N.C., or in Atlanta, Ga. But no one in his right mind has said, "Let's have a regional office that would operate efficiently and economically in Memphis, Tenn."

The postmaster from Charleston, S.C., has to go all the way to Tennessee. He can take an hour's flight to Atlanta, where he used to go. But they have closed Atlanta and nobody has been able to justify it.

If you mail a package in my home town, it must go through Greensboro, N.C. where it is processed. You cannot get a train or a plane to Greensboro, N.C. If you mail a package in Charleston, S.C., you can bet your boots that it somehow gets all the way to Greensboro, N.C., and is sent back to be delivered down the street.

These are the kinds of decisions they see day in and day out.

There is the matter of parcel post, to which the Senator referred in a letter. He said that the Parcel Post Association endorses his measure. That is almost impossible for me to believe because by 1975, the Postal Service lost about 166 million parcels. If we had the up-to-date figures, it would be more than 200 million.

Here is a crowd going out of business, and they say, "Let's continue with these particular decisions."

Does the Senator really believe that these organizations support his bill?

Mr. President, I ask unanimous consent to have the letter of August 19 printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

COMMITTEE ON POST OFFICE
AND CIVIL SERVICE,
Washington, D.C., August 19, 1976.
HON. ERNEST F. HOLLINGS,
U.S. Senate,
Washington, D.C.

DEAR FRITZ: Recently in my letters to you and on the Senate Floor, I have tried to de-

scribe the realities concerning the Postal Reorganization Act Amendments, H.R. 8603. Without going through all the rationale again, suffice it to say that the bill as reported out of the Senate Committee and soon to be voted upon is what the President will sign provided there are no substantive amendments.

It occurred to me that you might be interested in seeing a list of the supporters of the bill as reported from the Committee. They are:

1. National Association of Letter Carriers.
2. American Postal Workers Union.
3. Mail Handlers of Laborers' International Union.
4. Public Employee Department, AFL-CIO.
5. National Rural Letter Carriers Association.
6. National Association of Postmasters of the United States (91 percent of the postmasters are members)
7. National Association of Postal Supervisors.
8. United States Postal Service.
9. White House.
10. Office of Management and Budget.
11. Chairman and Ranking Minority Members of the two Congressional Committees.
12. National Newspaper Association.
13. Parcel Post Association.
14. American Legion.
15. Veterans of Foreign Wars.

Thanks again for your kind attention.

Sincerely,

GALE MCGEE,
Chairman.

Mr. McGEE. I say to my colleague that he is indulging in a very interesting game of telling us what other people really think or what they really intend.

Mr. HOLLINGS. That is what the letter says.

Mr. McGEE. If they commit themselves and say, "We support this particular procedure as the lesser of evil alternatives," I am not going to make a second guess as to whether I think they are telling us what they really believe or what most of them believe, or what it is. They have stuck their necks out and laid it on the line: They believe that this is the minimal approach we have to give a chance to until we can redo the whole business in the next year.

By the same token, I cannot second guess what everybody in the House is going to do or think. That is not my prerogative, and I should keep my nose out of it. I have a responsibility to try to deal responsibly with this in my own body, the U.S. Senate. That is what we are striving to do here.

We have the direct word that under the conditions of tampering with the machinery of the postal system beyond February 15, that would be the immediate subject for a veto by the White House. It is as elementary as that.

Yet, there is a compromise that the White House does not like but will agree to and will sign, and that is the pending bill that wins us the kind of time between now and the middle of February that we are asking for, so that we can unleash everything and go after it full tilt.

Mr. HOLLINGS. As the Senator and I know, we could unleash it now.

I have a funny feeling that the Senator from Wyoming and I, as well as other Senators in the Chamber, are being contacted by this listed group and we are not really debating the issues.

The Senate is being told by the Committee on Post Office and Civil Service

that this is the only game in town, that this is the only compromise, that any amendment will cause a veto and will kill the bill, when the fact is that they really support not the Senator's bill, but what I have submitted.

This is what the National Rural Letter Carriers Association says on page 357 of the hearings record:

We do not feel the conversion of the Post Office Department into a Corporation is in the best interests of the American public . . .

That is what they said in their testimony years ago, and they maintain the same position.

The Public Employee Department of the AFL-CIO says on page 214:

The simple fact is that the high hopes for postal operations engendered by enactment of the Postal Reorganization Act of 1970 have not been fulfilled. Instead, the past five years have witnessed a seemingly endless cycle of increased rates, declining business and reduced service to postal customers.

Then we can jump to another list, the first-class mailers, and some of the others in the hearing record we made. I read from page 193:

We prefer, in every major intent the provisions of H.R. 8603—

Listen to this—

and regret that your committee has not seen fit to take into consideration these views of a majority of the House of Representatives.

When your committee goes into markup, we hope that it will expand its horizons and get to the core of the problem that faces the U.S. Postal Service: its current lack of responsibility.

I would say that, in contrast with this list which I can disassociate, the National Association of Postmasters support our substitute. The Laborers International Union of North America support some of our proposals, and the National Alliance of Postal Workers have given full support and they put out a release to that effect. Also we have support from the First Class Mailers Association, which I have just quoted, and the National Grange.

I have just gotten back from hearings in Alaska, where I met the little postmaster of Windy Cove. She told me Saturday night, "Don't let them—"

Mr. McGEE. This is where the post office is or that is her name?

Mr. HOLLINGS. That is where the post office is. That is outside of Ketchikan. She said, "Don't let them close down my post office up here at Windy Cove."

I say to the Senator from Alaska that you only have to see a State of that kind to appreciate what the Senator from West Virginia is trying to get to. They are all out there, little fishing villages hither and yon, and the central gathering point is our little post office. That jells them together into a community. I think that is valuable to America. I would rather pay it to the post office than to psychiatrists around this country.

The post office was the first thing that the Government started, with RFD—rural free delivery. We went off on this binge of how we can put it into a private corporation. It has been a virus.

I do not blame the Senator from Wyoming. We passed through a bill on a railway up in the Northeast; it went

broke. Now they have a railway service and the president not only pays himself \$63,000, but says, "Since I have to live in Washington, I am advancing myself \$25,000 more. I am buying a \$5,000 membership out at Burning Tree Country Club and am having parties down in Washington."

I believe in public oversight of the railroads and public oversight of our Postal Service. When we do that, we shall have a two-way communication between the Postal Service, the Postmaster General, and the people's representatives in Congress.

Then, if the gentleman has to cut back his Saturday delivery operation, there could well be a majority in the House and Senate which could vote to support it. Then we would know, when these economies are made, that billion dollar boondoggle on these mail things have to be closed down. It is not working.

We only have to look at the annual reports. We do not have to get the 140 GAO reports and the blue ribbon commission. I think we have run out of blue ribbon in this Congress. Every time we come up for responsibility, we say, oh the B-1, just put that off to the next President. The Post Office, put that off to the next President. Just put everything off to the next President and close down and go back home and tell them how we are conscientious and serving the people. Every Congressman and Senator can run around with billboards saying that: "He is concerned." Concerned my Aunt Eda. Let us get this out. Let us get the job done.

All we have to do, I say to the Senator from Wyoming, is take the annual report. Do not listen to the Senator from Wyoming or the Senator from South Carolina. Take the annual report and read it back. Anybody can read a balance sheet. The reports have a nice smiling face of somebody receiving the mail. They have all kinds of pictures. By the way, they pay a fortune on public relations. This is one of the public relations things.

Anybody reading a year-end report and the balance sheet would see that the headquarters employees have gone well. The number of headquarters employees, from 1971 to 1975, has gone from 2,611 to 2,988. They are now in district offices, in regional offices—this is the top heaviness of the whole thing.

The Senator says the man is a good manager. I wonder. I would like to ask him these questions if we could get some hearings.

There is not a postmaster in South Carolina who has not told me, "Senator, close the district office and get the regional office to where we can get to it and quit traveling all the way to Memphis."

We go, in the inspection service, from 2,511 to 5,610 employees. You can just go down the list and see that while the mail has gone up in cost, \$3 billion—the volume has gone down.

Instead of it being 90.5, it is only 89.3. It has gone down 1 billion pieces. They are going out of business. They are cutting back. And the mail rates are going up, up, and away, and we are trying to say, we are deliberate about this. We are going about it in a responsible way, and

we are not doing it off the cuff or shooting from the hip. How can anybody now, after 6 years, shoot from the hip? This thing has filled us up until it is overflowing on anybody who has had any kind of feeling for the situation. The newspapers of America, editorials, magazines, are full of it. You look at that balance sheet and say, if that is the kind of management we have, let us go back to the oversight responsibility. We are not getting back into politics, not appointing postmasters, not meddling with the ratemaking. We should allow that to be beefed up and accelerated. The Postal Rate Commission has agreed with the Senator from Wyoming that they can do it.

Except for the billions we are being asked to vote for, it is nothing less than a stickup, a holdup—"give me your money and don't ask questions."

When they talk about obligations of contracts in the employees' union, I have an obligation under my own contract with the people who elected me from South Carolina. That is to stop, look, and listen. We have not stopped, looked, or listened in 6 years, from August 1970 to August 1976.

I do not think it can be called shooting from the hip, particularly when the majority of the House on two occasions has said, "Let us regain the Postal Service oversight and regain that responsibility."

Mr. McGEE. I shall conclude this very shortly now so we may have a vote on Senator RANDOLPH's amendment. I wish just to make sure that the RECORD is straight, however, in the light of my colleague's comments just now.

While he was in Alaska, I attended the national convention of rural letter carriers. They voted virtually unanimously for this compromise bill. They testified against an approach like this last spring, before we had hit the snag. I repeat for my colleagues, this is something that none of us envisaged last spring when we were holding the hearings. But that is what we are up against and we have to do the best we can. That is what we are trying to do. The rural letter carriers now support the compromise as the lesser of the evil options confronting us at the moment. So does the National Association of Postmasters, who are sitting downstairs now, if the Senator would like to go down and talk to them. That is 91 percent of the postmasters of the United States.

There is a small postmaster group, the League of Postmasters, that represents a smaller percentage of the post offices, that has not endorsed this, so there is a difference of opinion. But the National Association of Postmasters of the United States, 91 percent of them, have endorsed the compromise as the necessary step to take in this interim until next winter. So has the National Newspaper Association. So have the letter carriers who were meeting down in Houston while the Senator was in Alaska. They endorsed it overwhelmingly, even though they do not like it. They would rather have a different kind of solution. But it is the best they can get now.

These people are realistic, I say to my colleague. We are trying to keep this together until we can do it the right way.

That is the whole basis for this overwhelming support, that those directly involved in postal business are reflecting support of the compromise. They do not like it any better than I do, but it is the best we can get for this short interval between a campaign year and the next year.

Mr. McGOVERN. Mr. President, I wish to express my strong support for the amendment offered by the distinguished Senator from West Virginia. I believe that Senator RANDOLPH has devised a reasonable formula to insure that the guarantees of adequate postal service for our rural areas and small communities included in the Postal Reorganization Act of 1970 will be implemented.

Mr. President, the small local post office holds a special place in rural America. In rural parts of my own State of South Dakota and in many other areas around the country, people are extremely dependent upon the Postal Service to conduct business, to obtain access to essential information, and to maintain contact with friends and relatives. When these post offices are closed or when service is reduced, the impact on every aspect of life is serious and very painful indeed.

In recent months, the U.S. Postal Service has created a great deal of concern and uncertainty in South Dakota and, I am sure, in other States as well, by predicting severe cutbacks and numerous closings in the near future. Relatively few post offices have, in fact, been closed to date, but a good many are under review. Postal Service officials have encouraged a widespread feeling that many more closings are in the offing.

This amendment would not prevent the Postal Service from closing out truly redundant facilities. It would not perpetuate unnecessary services, nor would it impose an undue burden on Postal Service management. Rather, the Randolph amendment would establish a fair and orderly process for considering rural closings where none now exists and it would assure the people in our rural areas of a clear line of recourse in the event that a facility is, in fact, terminated.

Mr. President, the Randolph amendment clarifies the intent of Congress with regard to rural service, provides a mechanism for carrying out that intent, and provides our rural people with a degree of protection from arbitrary bureaucratic actions. I assure my colleagues that where the Postal Service is concerned, this protection is badly needed.

Mr. McGEE. Mr. President, I move to table the Senator's amendment, as we agreed that I would do.

Mr. RANDOLPH. Mr. President, as I understand it, the yeas and nays have been ordered; is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. HOLLINGS. On the motion to table?

Mr. McGEE. Yes.

Mr. HOLLINGS. The Senator just moved to table. We never did get that.

Mr. McGEE. Mr. President, I move to table the Senator's amendment.

Mr. HOLLINGS. The Senator moved for the yeas and nays on the amendment. But does the Senator want the yeas and nays on the motion to table?

The PRESIDING OFFICER. The yeas and nays have not been ordered.

Mr. McGEE. What is the parliamentary situation on the yeas and nays, Mr. President?

The PRESIDING OFFICER. The yeas and nays have not been ordered on the motion to table. They have been ordered on the amendment.

Mr. FONG. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is not a sufficient second.

Mr. FONG. Mr. President, I suggest the absence of a quorum.

Mr. HOLLINGS. Let us vote. We can shout them. [Laughter.]

Mr. President, the motion to table has been made.

Mr. FONG. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. RANDOLPH. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. RANDOLPH. Mr. President, the yeas and nays have been ordered on the amendment. I wonder if we can transfer the number that we had.

The PRESIDING OFFICER. By unanimous consent that can be done.

Mr. RANDOLPH. Can it be done by unanimous consent?

The PRESIDING OFFICER. Yes, it can be.

Mr. RANDOLPH. I so ask unanimous consent to transfer the yeas and nays.

The PRESIDING OFFICER. Is there objection?

Mr. HOLLINGS. Mr. President, reserving the right to object, what is the request?

Mr. RANDOLPH. I just want to get the yeas and nays transferred from the amendment to the motion to table.

Mr. HOLLINGS. I have no objection.

The PRESIDING OFFICER. Without objection, the yeas and nays are ordered on the motion to table and the clerk will call the roll. The question is on agreeing to the motion of the Senator from Wyoming to lay on the table the amendment of the Senator from West Virginia. The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Texas (Mr. BENTSEN), the Senator from California (Mr. CRANSTON), the Senator from Iowa (Mr. CULVER), the Senator from Alaska (Mr. GRAVEL), the Senator from Colorado (Mr. GARY HART), the Senator from Indiana (Mr. HARTKE), the Senator from Colorado (Mr. HASKELL), the Senator from Maine (Mr. HATHAWAY), the Senator from Vermont (Mr. LEAHY), the Senator from Louisiana (Mr. LONG), the Senator from Washington (Mr. MAGNUSON), the Senator from Montana (Mr. MANFIELD),

the Senator from Minnesota (Mr. MONDALE), the Senator from Utah (Mr. MOSS), the Senator from Maine (Mr. MUSKIE), the Senator from Georgia (Mr. TALMADGE), and the Senator from California (Mr. TUNNEY) are necessarily absent.

I also announce that the Senator from Hawaii (Mr. INOUE), the Senator from Massachusetts (Mr. KENNEDY), and the Senator from New Jersey (Mr. WILLIAMS) are absent on official business.

I further announce that, if present and voting, the Senator from Washington (Mr. MAGNUSON) would vote "nay."

Mr. HUGH SCOTT. I announce that the Senator from Tennessee (Mr. BROCK), the Senator from Arizona (Mr. GOLDWATER), the Senator from Michigan (Mr. GRIFFIN), and the Senator from Ohio (Mr. TAFT) are necessarily absent.

I further announce that the Senator from Utah (Mr. GARN) is absent due to a death in the family.

I further announce that, if present and voting, the Senator from Ohio (Mr. TAFT) would vote "nay."

The result was announced—yeas 17, nays 58, as follows:

[Rollcall Vote No. 518 Leg.]

YEAS—17

Bayh	Glenn	Percy
Bellmon	Hruska	Scott, Hugh
Brooke	McGee	Stevens
Burdick	McIntyre	Stone
Curtis	Pastore	Young
Fong	Pell	

NAYS—58

Abourezk	Eastland	Morgan
Allen	Fannin	Nelson
Baker	Ford	Nunn
Bartlett	Hansen	Packwood
Beall	Hart, Philip A.	Pearson
Biden	Hatfield	Proxmire
Buckley	Helms	Randolph
Bumpers	Hollings	Ribicoff
Byrd	Huddleston	Roth
Harry F., Jr.	Humphrey	Schweiker
Byrd, Robert C.	Jackson	Scott
Cannon	Javits	William L.
Case	Johnston	Sparkman
Chiles	Laxalt	Stafford
Church	Mathias	Stennis
Clark	McClellan	Stevenson
Dole	McClure	Symington
Domenici	McGovern	Thurmond
Durkin	Metcalf	Tower
Eagleton	Montoya	Welcker

NOT VOTING—25

Bentsen	Hartke	Mondale
Brock	Haskell	Moss
Cranston	Hathaway	Muskie
Culver	Inouye	Taft
Garn	Kennedy	Talmadge
Goldwater	Leahy	Tunney
Gravel	Long	Williams
Griffin	Magnuson	
Hart, Gary	Mansfield	

So the motion to lay on the table was rejected.

Mr. RANDOLPH. If it is necessary to have the yeas and nays, that is agreeable to the author of the amendment. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER (Mr. THURMOND). Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from West Virginia. The yeas and nays have been ordered and the clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Texas (Mr. BENTSEN), the Senator from California (Mr. CRANSTON), the Senator from Iowa (Mr. CULVER), the Senator from Mississippi (Mr. EASTLAND), the Senator from Alaska (Mr. GRAVEL), the Senator from Colorado (Mr. GARY HART), the Senator from Indiana (Mr. HARTKE), the Senator from Colorado (Mr. HASKELL), the Senator from Maine (Mr. HATHAWAY), the Senator from Vermont (Mr. LEAHY), the Senator from Louisiana (Mr. LONG), the Senator from Washington (Mr. MAGNUSON), the Senator from Montana (Mr. MANSFIELD), the Senator from Minnesota (Mr. MONDALE), the Senator from Utah (Mr. MOSS), the Senator from Maine (Mr. MUSKIE), the Senator from Missouri (Mr. SYMINGTON), the Senator from California (Mr. TUNNEY), and the Senator from Georgia (Mr. TALMADGE) are necessarily absent.

I also announce that the Senator from Hawaii (Mr. INOUE), the Senator from Massachusetts (Mr. KENNEDY), and the Senator from New Jersey (Mr. WILLIAMS) are absent on official business.

I further announce that, if present and voting, the Senator from Washington (Mr. MAGNUSON) and the Senator from Iowa (Mr. CULVER) would each vote "yea."

Mr. HUGH SCOTT. I announce that the Senator from Tennessee (Mr. BROCK), the Senator from Arizona (Mr. GOLDWATER), the Senator from Michigan (Mr. GRIFFIN), and the Senator from Ohio (Mr. TAFT) are necessarily absent.

I further announce that the Senator from Utah (Mr. GARN) is absent due to a death in the family.

I further announce that, if present and voting, the Senator from Ohio (Mr. TAFT) would vote "yea."

The result was announced—yeas 60, nays 13, as follows:

[Rollcall Vote No. 519 Leg.]

YEAS—60

Abourezk	Fannin	Nelson
Allen	Ford	Nunn
Baker	Hansen	Packwood
Bartlett	Hart, Philip A.	Pastore
Bayh	Hatfield	Pearson
Beall	Helms	Pell
Biden	Hollings	Proxmire
Buckley	Huddleston	Randolph
Bumpers	Humphrey	Ribicoff
Byrd	Jackson	Roth
Harry F., Jr.	Javits	Schweiker
Byrd, Robert C.	Johnston	Scott
Cannon	Laxalt	William L.
Case	Mathias	Sparkman
Chiles	McClellan	Stafford
Church	McClure	Stennis
Clark	McGovern	Stevenson
Dole	McIntyre	Thurmond
Domenici	Metcalf	Tower
Durkin	Montoya	Weicker
Eagleton	Morgan	

NAYS—13

Belmont	Glenn	Stevens
Brooke	Hruska	Stone
Burdick	McGee	Young
Curtis	Percy	
Fong	Scott, Hugh	

NOT VOTING—27

Bentsen	Hart, Gary	Mansfield
Brock	Hartke	Mondale
Cranston	Haskell	Moss
Culver	Hathaway	Muskie
Eastland	Inouye	Symington
Garn	Kennedy	Taft
Goldwater	Leahy	Talmadge
Gravel	Long	Tunney
Griffin	Magnuson	Williams

So Mr. RANDOLPH's amendment was agreed to.

Mr. RANDOLPH. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HOLLINGS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2201

Mr. HOLLINGS. Mr. President, I call up my amendment No. 2201, and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from South Carolina (Mr. HOLLINGS) proposes amendment numbered 2201 in the nature of a substitute.

The amendment is as follows:

Strike out all after the enacting clause and insert in lieu thereof the following: That this Act may be cited as the "Postal Reorganization Act Amendments of 1976".

FINANCIAL MATTERS

SEC. 2. Section 2401 of title 39, United States Code, is amended by adding at the end thereof the following new subsections:

"(d)(1) There is authorized to be appropriated to the Postal Service for the fiscal year ending September 30, 1977, the amount of \$1,000,000,000 to be applied against the accumulated operating indebtedness of the Postal Service as of September 30, 1976.

"(2) The Postal Service, in requesting amounts to be appropriated under this subsection, shall present to the appropriate committees of the Congress a statement containing a description of the operations of the Postal Service together with any other information which any such committee considers necessary to determine the amount of funds to be appropriated for the operation of the Postal Service.

"(e) During the fiscal year ending September 30, 1977, or, if funds are not appropriated pursuant to the authorization provided in subsection (d)(1) of this section before the beginning of such fiscal year, during the portion of such fiscal year beginning with the day on which any funds are so appropriated, the Postal Service shall not—

"(1) have in effect any permanent or temporary rate of postage or fee for postal services exceeding the rates and fees in effect on the date of enactment of the Postal Reorganization Act Amendments of 1976, unless that excess is provided for under section 3626 of this title;

"(2) close any post office where 35 or more families regularly receive their mail and which was providing service on July 1, 1976; or

"(3) close any post office where fewer than 35 families receive their mail and which was providing service on July 1, 1976, unless the Postal Service receives the written consent of at least 60 percent of the regular patrons of such office who are at least 18 years of age.

"(f) During the fiscal year ending on September 30, 1977, or if funds are not appropriated pursuant to the authorization provided in subsection (d)(1) of this section before the beginning of such fiscal year, during the portion of such fiscal year beginning with the day on which any funds are so appropriated, the Postal Service shall provide door delivery or curbside delivery to all permanent residential addresses (or other than apartment building addresses) to which service is begun on or after the date of enactment of the Postal Reorganization Act Amendments of 1976.

"(g) Upon the request of the Post Office

and Civil Service Committee of the Senate or of the House of Representatives the Postal Service shall be required to appear and to present testimony and respond to questions with respect to the operation and financial conditions of the Postal Service.

"(h) The rates and fees established under chapter 36 of this title for zone-rated mail matter formerly entered under former chapter 67 of this title shall not be more than 10 percent less than the rates and fees for such mail matter would be if the funds authorized under this section were not appropriated."

SEC. 3. (a) (1) Section 2401(a) of title 39, United States Code, is amended to read as follows:

"(a) All revenues and fees collected by the Postal Service shall be deposited in the general fund of the Treasury of the United States."

(2) Section 2003(b)(1) of such title is amended to read as follows:

"(1) amounts appropriated pursuant to the authorization made by section 2401(b) of this title;"

(3) Section 2003(b)(3) of such title is amended by inserting immediately after "Postal Service" the following: "in addition to amounts appropriated pursuant to the authorization made by section 2401(b) of this title".

(4) Section 4(b) of the Postal Reorganization Act (Public Law 91-375; 84 Stat. 774) is amended by striking out "Postal Service" and inserting in lieu thereof "United States, and shall be deposited in the general fund of the Treasury of the United States in accordance with section 2401(a) of title 39, United States Code, as added by the Postal Reorganization Act Amendments of 1976."

(b) (1) Section 2401(b) of title 39, United States Code, is amended to read as follows:

"(b) There are authorized to be appropriated to the Postal Service such sums as may be necessary for the operation of the Postal Service."

(2) Section 2401 of such title is amended by adding at the end thereof the following:

"(i) In requesting amounts to be appropriated under subsection (b), the Postal Service shall present to the Committees on Post Office and Civil Service and the Committees on Appropriations of the Senate and House of Representatives sufficient copies of the budget of the Postal Service for the fiscal year for which funds are requested to be appropriated. If such budget projects an operating deficit for such fiscal year, the Postal Service shall present with the budget a detailed financial analysis of proposals to eliminate such deficit including any proposals to increase rates or fees for services or proposals to reduce services."

(c) (1) Section 3621 of title 39, United States Code, is amended by striking out "income" and inserting in lieu thereof "revenue".

(2) Section 3625(d) of such title is amended by striking out "income" and inserting in lieu thereof "revenue".

(d) The amendments made by this section shall take effect on October 1, 1977.

SEC. 4. (a) Section 2005(a) of title 39, United States Code, is amended by striking out the last sentence and inserting in lieu thereof the following: "The net increase in the amount of obligations outstanding for the purpose of capital improvements shall not exceed \$1,500,000,000 in any one year. The amount of obligations which the Postal Service issues in any one fiscal year for the purpose of paying its operating expenses shall not exceed \$500,000,000, and no obligation for such purpose shall be issued unless the Postal Service is required to retire such obligation in the fiscal year in which it was issued."

(b) The amendment made by subsection (a) applies to obligations issued after October 1, 1976. Any obligations issued prior to

such date shall be retired in accordance with the schedule adopted by the Postal Service and the Federal Financing Bank.

Sec. 5. Nothing contained herein shall be construed to impair the obligation of employment contracts that the Postal Service has entered into with its employees, and nothing contained herein shall be construed to impair the authority of the Postal Service to collectively bargain employment contracts with its employees as provided in the Postal Reorganization Act.

ORGANIZATIONAL MATTERS

Sec. 6. (a) Section 102 of title 39, United States Code, is amended to read as follows: "As used in this title 'Postal Service' means the United States Postal Service established by section 201 of this title."

(b) Section 201 of such title is amended by striking out "as an independent establishment of" and inserting in lieu thereof "within".

(c) Section 202 of such title is repealed and the item relating to such section in the table of sections for chapter 2 of such title as amended to read as follows: "202. Repealed."

(d) (1) Sections 203 through 205 of such title are amended to read as follows:

"§ 203. Postmaster General

"The head of the Postal Service is the Postmaster General. The Postmaster General shall be appointed by the President by and with the advice and consent of the Senate. The Postmaster General shall receive compensation at the rate provided for level I of the Executive Schedule under section 5312 of title 5.

"§ 204. Deputy Postmaster General

"The Deputy Postmaster General of the Postal Service shall be appointed by the President by and with the advice and consent of the Senate. The Deputy Postmaster General shall perform such duties as the Postmaster General may require. The Deputy Postmaster General shall receive compensation at the rate provided for level II of the Executive Schedule under section 5313 of title 5.

"§ 205. Senior Assistant Postmasters General; Assistant Postmasters General; General Counsel; Judicial Officer

"There shall be within the Postal Service 3 Senior Assistant Postmasters General, 8 Assistant Postmasters General, a General Counsel, and a Judicial Officer. The Senior Assistant Postmasters General, the Assistant Postmasters General, the General Counsel, and the Judicial Officer shall be appointed by, and shall serve at the pleasure of, the Postmaster General. The Judicial Officer shall perform such quasi-judicial duties, not inconsistent with chapter 36 of this title, as the Postmaster General may designate. The Judicial Officer shall be the agency for the purposes of the requirements of chapter 5 of title 5, to the extent that functions are delegated to him by the Postmaster General. The Senior Assistant Postmasters General shall receive compensation at the rate provided for level III of the Executive Schedule under section 5314 of title 5. The Assistant Postmasters General, the General Counsel, and the Judicial Officer shall receive compensation at the rate provided for level IV of the Executive Schedule under section 5315 of title 5."

(2) The items relating to sections 203 through 205 of such title are amended to read as follows:

"203. Postmaster General.

"204. Deputy Postmaster General.

"205. Senior Assistant Postmasters General; Assistant Postmasters General; General Counsel; Judicial Officer."

(e) Section 402 of such title is amended to read as follows:

"§ 402. Delegation of authority

"The Postmaster General may delegate to any officer or employee of the Postal Service the responsibility for the performance of such functions as may be vested by law in him or in any other officer or employee of the Postal Service."

(f) Section 2402 of such title is amended to read as follows:

"§ 2402. Annual report

"The Postmaster General shall transmit an annual report to the President and the Congress concerning the operation of the Postal Service under this title."

Sec. 7. (a) (1) Section 3603 of such title is amended to read as follows:

"§ 3603. Duties and powers

"(a) The Commission shall have the duty to make final decisions for changes in postal rates and fees and in mail classification matters and to render advisory opinions on postal services and complaints in accordance with the policies and procedures of this title.

"(b) The Postal Rate Commission shall promulgate rules and regulations and establish procedures, subject to chapters 5 and 7 of title 5, and take any other action they deem necessary and proper to carry out their functions and obligations to the Government of the United States and the people as prescribed under this chapter. Such rules, regulations, procedures, and actions shall not be subject to any change or supervision by the Postal Service."

(2) The item relating to such section in the table of sections for chapter 36 of such title is amended to read as follows:

"3603. Duties and powers."

(b) (1) The first sentence of section 3621 of such title is amended by striking out "Governors" and inserting in lieu thereof "the Postal Rate Commission".

(2) Section 3622(a) of such title is amended—

(A) by striking out "to submit a recommended decision on changes" and inserting in lieu thereof "to decide on changes"; and

(B) by striking out "may submit such suggestions for rate adjustments as it deems suitable" and inserting in lieu thereof "may make such rate adjustments as it deems suitable".

(3) Section 3622(b) of such title is amended by striking out "the Commission shall make a recommended decision" and inserting in lieu thereof "the Commission shall make a decision".

(4) Section 3623(b) of such title is amended by striking out "recommended".

(5) Section 3623(c) is amended by striking out "recommended".

(6) (A) Section 3601 of title 39, United States Code, is amended to read as follows:

"§ 3601. Establishment

"(a) The Postal Rate Commission is an independent establishment of the executive branch of the Government of the United States. The Commission is composed of 5 Commissioners, appointed by the President, by and with the advice and consent of the Senate. The Commissioners shall be chosen on the basis of their professional qualifications and may be removed by the President only for cause. Not more than 3 of the Commissioners may be adherents of the same political party.

"(b) A Commissioner may continue to serve after the expiration of his term until his successor has qualified, except that a Commissioner may not so continue to serve for more than 1 year after the date upon which his term otherwise would expire under section 3602 of this title.

"(c) One of the Commissioners shall be designated as Chairman by, and shall serve in the position of Chairman at the pleasure of, the President.

"(d) The Commissioners shall by majority vote designate a Vice Chairman of the Commission. The Vice Chairman shall act

as chairman of the Commission in the absence of the Chairman."

(B) The provisions of section 3601(a) of title 39, United States Code, as amended by paragraph (a) of this section, shall not apply with respect to any Commissioner of the Postal Rate Commission holding office on the date of the enactment of this Act, except that such provisions shall apply to any appointment of such a Commissioner occurring after the date of the enactment of this Act.

(7) Section 3625 of such title is repealed and the item relating to such section in the table of sections for chapter 36 of such title is amended to read as follows:

"3625. Repealed."

(8) Section 3628 of such title is amended—

(A) by striking out "decision of the Governors to approve, allow under protest, or modify the recommended";

(B) by striking out "and the Governors"; and

(C) by striking out "or Governors".

(9) The caption of section 3624 of such title and the item relating to such section in the analysis of chapter 36 of such title are each amended by striking out "Recommended decisions" and inserting in lieu thereof "Decisions".

(c) The third sentence of section 3662 of such title is amended by striking out "recommended".

Sec. 8. (a) (1) Section 1001(b) of title 39, United States Code, is amended by striking out "202, 204," and inserting in lieu thereof "203, 204, 205,".

(2) Section 1001(d) of such title is amended by striking out "of the Board or".

(b) Section 1002(a) is amended by striking out "a Governor or" and inserting in lieu thereof "a".

(c) (1) Section 1005(a)(3) of such title is amended by striking out "202, 204," and inserting in lieu thereof "203, 204, 205,".

(2) Section 1005(d) of such title is amended by striking out "(other than the Governors)".

Sec. 9. (a) Section 5312 of title 5, United States Code, is amended by inserting immediately after paragraph (13) the following new paragraph:

"(14) Postmaster General."

(b) Section 5313 of such title is amended by inserting immediately after paragraph (22) the following new paragraph:

"(23) Deputy Postmaster General."

(c) Section 5314 of such title is amended by inserting immediately after paragraph (63) the following new paragraph:

"(64) Senior Assistant Postmasters General (3)."

(d) Section 5315 of such title is amended by inserting immediately after paragraph (107) the following new paragraphs:

"(108) Assistant Postmasters General (8).

"(109) General Counsel of the United States Postal Service.

"(110) Judicial Officer of the United States Postal Service."

RATE MATTERS

Sec. 10. (a) Section 3624 of title 39, United States Code, is amended by redesignating subsection (c) as subsection (d) and by inserting immediately after subsection (b) the following new subsection:

"(c) (1) Except as provided by paragraph (2) of this subsection, in any case in which the Postal Service makes a request under section 3622 of this title for a decision by the Commission on changes in a rate or rates of postage or in a fee or fees for postal services the Commission shall transmit its decision to the Postal Service under subsection (d) of this section no later than 10 months after receiving any such request from the Postal Service.

"(2) In any case in which the Commission determines that the Postal Service has unreasonably delayed consideration of a request made by the Postal Service under sec-

tion 3622 by failing to respond within a reasonable time to any lawful order of the Commission, the Commission may extend the 10-month period described in paragraph (1) of this subsection by one day for each day of such delay."

(b) The amendment made by subsection (a) shall not apply to any action or proceeding with respect to the decision of the Postal Rate Commission relating to proposed changes in rates of postage, and in fees for postal services, requested on September 18, 1975, by the United States Postal Service in a request which bears or which at any time has been included under Postal Rate Commission Docket Number R76-1.

Sec. 11. (a) Section 3641 of title 39, United States Code, is amended to read as follows: "§ 3641. Temporary changes in rates and classes

"(a) In any case in which the Postal Rate Commission fails to transmit a decision on a change in rates of postage or in fees for postal services to the Postal Service in accordance with section 3624(c) of this title, the Postal Service may establish temporary changes in rates of postage and in fees for postal services. Such temporary changes may take effect upon such date as the Postal Service may determine, except that such temporary changes may take effect only after 10 days' notice in the Federal Register.

"(b) Any temporary rate or fee established by the Postal Service under subsection (a) of this section shall be in accordance with the policies of this title and shall not exceed such amount as may be necessary for sufficient revenues to assure that the total estimated revenue including appropriations, of the Postal Service shall, to the extent practicable, be equal to the total estimated costs of the Postal Service.

"(c) The Postal Service may not establish any temporary rate for a class of mail or any temporary fee for a postal service which is more than the permanent rate or fee requested for such class or postal service by the Postal Service under section 3622 of this title.

"(d) Any temporary change in rates of postage or in fees for postal service made by the Postal Service under this section shall remain in effect no longer than 150 days after the date upon which the Commission transmits its decision to the Postal Service under section 3624(d) of this title, unless such temporary change is terminated by the Postal Service before the expiration of such period.

"(e) If the Postal Rate Commission does not transmit to the Postal Service within 90 days after the Postal Service has submitted, or within 30 days after the Postal Service has resubmitted, to the Commission a request for a decision on a change in the mail classification schedule (after such schedule is established under section 3623 of this title), the Postal Service, upon 10 days' notice in the Federal Register, may place into effect temporary changes in the mail classification schedule in accordance with proposed changes under consideration by the Commission. Any temporary change shall be effective for a period ending not later than 30 days after the Commission has transmitted its decision to the Postal Service.

"(f) If, under section 3628 of this title, a court orders a matter returned to the Commission for further consideration, the Postal Service, with the consent of the Commission, may place into effect temporary changes in rates of postage, and fees for postal services, or in the mail classification schedule."

(b)(1) The amendment made by subsection (a) of this section shall not apply to any action or proceeding with respect to the decision of the Postal Rate Commission relating to proposed changes in rates of postage and in fees for postal services requested

on September 18, 1975, by the United States Postal Service in a request which bears or which at any time has been included under Postal Rate Commission Docket Number R76-1.

(2) The provisions of section 3641 of title 39, United States Code, as such provisions were in effect on the day before the date of the enactment of this Act, shall apply to any temporary rate or fee established by the Postal Service pursuant to its request to the Postal Rate Commission, dated September 18, 1975, for a decision, bearing Docket Number R76-1.

Mr. ROBERT C. BYRD. Mr. President, will the distinguished Senator yield for a request?

Mr. HOLLINGS. I yield.

Mr. ROBERT C. BYRD. Mr. President, there will be no more rollcall votes today.

It is my understanding that the manager of the bill, the ranking member, and the author of the amendment are willing to enter into a time agreement on this amendment.

I ask unanimous consent that there be a time limitation of 4 hours on the amendment to begin running tomorrow morning at 10 a.m. with a vote to occur at no later than 2 p.m. on the amendment, the time to be equally divided on the amendment between Mr. HOLLINGS and Mr. McGEE, that there be—

Mr. FONG. Mr. HELMS will not agree to a time limitation agreement.

Mr. ROBERT C. BYRD. On this amendment?

Mr. FONG. I do not know if it is on this amendment.

Mr. ROBERT C. BYRD. Mr. President, I withdraw the request for the time being.

Mr. HOLLINGS. Mr. President, I ask unanimous consent that as to the substitute amendment that I have called up and the clerk has stated there be added thereto at the end of that substitute the language of the Randolph amendment just agreed to by the Senate.

The PRESIDING OFFICER. Is there objection?

Without objection, the amendment is so modified.

Mr. HOLLINGS. Mr. President, while we are trying to check with our colleague, as the distinguished assistant majority leader has reported, there will be no further votes this afternoon, but I wished to clarify with the few Members that we do have to listen, the fact that we have finally agreed to an amendment that we were unable to in committee. I know in good spirit our distinguished chairman from Wyoming will indulge this amendment on its merits rather than on the proposition that this would ruin that very tenuous, fragile, and exact compromise worked out among the Senate, the House of Representatives, and the administration, for already with the adoption of the Randolph amendment there is no question but what we will have a conference with our House colleagues.

I think this is the major point, Mr. President, with respect to the action by the House of Representatives.

I have had in the time allowed me with the rollcall votes to look at the bill that was introduced in the House at the

very beginning. It was H.R. 2445 which was Mr. HANLEY's bill.

The Senator from Wyoming and I were discussing it, and in that discussion, the Senator's position, as I understood it, was that they did not have before them what we have now in the way of a McGee amendment, of simply putting up the money and altering the rate commission.

The fact is that they put in H.R. 2445 with the various subject matters. They were entitled "The Organization of Financial Matters of the United States Postal Service and Postal Rate Commission," introduced in January 1975, which encompassed the duties and powers of the Postal Rate Commission, the changes in its organizational structure, the membership of the Board of Governors, and the revision of the laws relating to private carriage of letters and application to the Postal Service of administrative procedures under title V, the rules governing certain Postal Service contracts, the fees on real property, publications of notice, and miscellaneous provisions, with the right of transfer and everything else.

Having sort of covered the waterfront, Mr. HANLEY, after having the hearings during the 6-month period from January to July, reported in July, for himself and others, H.R. 8603, which is presently under discussion.

Under H.R. 8603, we then come to the Hanley provision, which struck out the varied provisions, and came up with what could be characterized as a well worked out compromise; namely, dealing with just the Postal Rate Commission and the money.

I have tried to parallel the way the problem was posed in the House and the issues they were confronting at the time they adopted the Alexander amendment. At that time, they had—just as we have now—the so-called substitute streamlined, just taking care of the Postal Rate Commission and the money needed. Instead, they said:

No. After five years, we have to go ahead and reassert the oversight responsibility, and we want the Postmaster General appointed by the President and confirmed by the Senate.

That, in essence, is our substitute amendment No. 2201.

Mr. President, I can commence at this time a prepared statement I have on the entire matter, and I will be glad to yield to the Senator from North Carolina. I think he has a point to make, or we will present a unanimous-consent request as to a time limitation on the substitute. However, we did not want to make any agreement without the consent of the Senator from North Carolina.

INTRODUCTION: WHY WE'RE HERE

The Post Office and Civil Service Committee has reported legislation which purports to seek a resolution to the many problems confronting the Postal Service. The committee bill essentially provides for an increased subsidy, the creation of a blue ribbon commission to study postal problems and a moratorium on increasing rates and decreasing services. This proposal is simply a buy away of the

problems we should be working to understand and solve. I am deeply concerned over the course of action which is being suggested. I introduced S. 718 in February of 1975 but I have not been able to get hearings. Now after careful consideration, I propose an alternative which I feel would make the substantive changes necessary for an efficient and accountable Postal Service. I intend to offer my substitute to the Senate so that my colleagues will have the opportunity to consider the proposal on its merits.

My substitute contains seven major provisions. They are as follows:

First. Annual authorization.—Beginning in fiscal year 1978 the Postal Service would be required to come before the Congress each year for authorization and appropriation of its total budget. Additionally, the Service will be required to present an analysis of its projected deficit and an outline of possible actions which would balance the books.

Second. Transitional subsidy.—There would be a \$1 billion authorization for fiscal year 1977 to prevent a disruption of postal operations while Congress reviews the needs of the Postal Service as we gear up for our authorization responsibilities.

Third. Moratorium on increased rates and decreased service.—A moratorium would be imposed on increasing rates, on the closing of post offices which serve 35 or more families and on eliminating door or curb delivery. This moratorium would be in effect until fiscal year 1978 when the Congress begins the annual authorization process for the Postal Service.

Fourth. Presidential appointment of Postmaster General.—The Postmaster General would be appointed by the President and confirmed by the Senate. The Postal Service requires positive attention and guidance from, as well as accountability to, the executive branch.

Fifth. Abolish Board of Governors.—The Board of Governors simply has not done the job. Also it should be the responsibility of the Congress, publicly accountable representatives, to guide and direct the Postal Service.

Sixth. Expedite ratemaking.—There would be a requirement that all rate decisions from the Postal Rate Commission shall be determined within 10 months. The delays of the Commission have been of major significance in contributing to postal losses.

Seventh. Limit borrowing authority.—The ability of the Postal Service to borrow funds to offset operating expenses would be limited to \$500 million at any one time. This provision will also require that the debt be retired within the same fiscal year. This limited borrowing authority will provide the Postal Service with a buffer should a cash flow problem arise during the annual authorization and appropriations process.

Additionally, I must point out that Presidential appointment of the Postmaster General does not create a Post Office Department. Nor do these measures do away with collective bargaining. And, needless to say, we do not want to undo those portions of postal reorganization which prohibit political recommendations.

In 1970, the Congress, with the support of the President, past Postmasters General, and most mail users transformed the old Post Office Department into a publicly controlled corporation named the U.S. Postal Service. For 6 years we have watched the Postal Service hoping that it would be able not only to survive, but to provide more efficient service. We have been disappointed. Not only has service eroded, but the poorer service is costing us more every day. Now the committee wants to increase the subsidy and study the problems through a blue ribbon commission.

It is stressed that the committee's proposal is a compromise that has been worked out with leaders from the House Post Office Committee and the administration and that if the Congress moves away from this compromise, the President will veto the legislation. I disagree. It seems quite evident from the fact that the White House will not even return telephone calls from the Postmaster General that the Postal Service has not been a priority of the President's. I cannot believe the President is aware of the crucial state of postal affairs. However, if Congress sends him legislation such as I am proposing, he will need to take notice and sign this sensible approach to a very difficult situation. I cannot see the President by an act of veto raising rates and terminating Saturday deliveries just before November.

While the leadership of the House committee was a part of the compromise, I question whether or not the House of Representatives will agree to it. In September 1975, the House considered a bill that was similar to the approach being taken by the Senate committee. During their consideration they adopted an amendment by a vote of 267 to 123 which required annual authorization and thus accountability. The bill was later recommittees to committee and on their second attempt in October 1975 the House again expressed its desire for annual authorization. Additionally, the House adopted an amendment requiring the appointment of the Postmaster General and the Deputy Postmaster General by the President with the advice and consent of the Senate. It seems unlikely that the membership of the House would be willing to begin again.

I do not look forward to taking on the unpleasant task of straightening out the Postal Service. And while I was not a prophet when I voted against Postal Reorganization in 1970, I do not feel we can continue to avoid this responsibility. It is for this reason that I urge my colleagues to carefully review my substitute.

Due to the current financial crisis of the Postal Service and due to the inadequate time available to the Congress for review of Postal Service needs, the amendment authorizes \$1 billion for fiscal year 1977. Then, beginning on October 1, 1977, the Postal Service would be required to come before the Congress each year for authorization and appropriation of its total budget request.

This would restore accountability of the Postal Service to the people it serves. We would not be giving the Postal Service an open-ended subsidy. We need a

strong oversight and effort to halt the continued postal deficits and to assure continued postal services. It is still my intent that the Postal Service would make every effort to balance their receipts and expenditures.

Several months ago OMB Director James Lynn appeared before the committee. At that time, while Postmaster General Bailar was telling us that he could not survive the year without a subsidy, Mr. Lynn, speaking for the President, said he did not think that the Postal Service needed help. He said that the Service is strictly a business proposition and that it should be run as such. The President has continually said that the Postal Service should not be subsidized.

At the same time the OMB continues to review all Postal Service legislation and provide the administration's point of view. In fact, they held up the comments on my bill S. 718 for almost a year. For what other businesses, Mr. President, does the OMB have such tight control while at the same time abdicating any responsibility.

The Postal Service is an important institution to all of the American people. It deserves the positive attention, care, concern, and guidance from the executive branch at all times. And making the Postmaster General a Presidential appointment will insure that the Postal Service gets the necessary attention.

Of course, as I stated earlier, this does not recreate a Post Office Department. The law will continue to prohibit political recommendations and I am not altering the authority for negotiating and consummating labor-management "collective bargaining" agreements.

The most recent survey of the "collective bargaining" activities in the executive branch shows that there are 3,483 separate collective bargaining units. There are recognized labor unions in all major Government agencies. When the Congress created the Postal Service, it made the USPS unique among Federal entities in that the Postmaster General was instructed to enter into wage and hour agreements with employee labor organizations. I have not changed these provisions. In fact, I specifically provide that nothing in my legislation will interfere with the right to collectively bargain.

Next I move to the Board of Governors. The creation of the Board of Governors was an effort to create a corporate structure, modeled after those in the business world, for the newly established Postal Service. Each of the Governors was supposed to bring to his or her appointment an understanding of the workings of the service including business matters and the public service function of postal operations. It was intended that the Board of Governors would direct and oversee that Postmaster General who serves at its will.

With but a few exceptions, the Board of Governors has displayed little expertise in the field. Since its establishment, 13 members have been appointed. Of these, five members have resigned before the expiration of their terms and the two members who served their full terms were not reappointed. Furthermore, until earlier this month there were three

vacancies on the Board: two were just filled. To sum up, the Board had done little more than rubberstamp decisions. Additionally, we should note that the President nor the Senate must take the Board seriously since they continually allow vacant seats not to be filled.

I would abolish the Board of Governors because it simply has not done the job. Besides, it is the Congress that should oversee the Postal Service.

My legislation also provides that all rate decisions from the Postal Rate Commission shall be determined within 10 months. The delays of the Commission have been of major significance in contributing to postal losses. While the committee bill takes a similar approach to expediting rate cases, I should point out that under my proposal the Postal Rate Commission would be making final decisions that are appealable to the courts. The committee would continue the practice of having the Commission send recommended decisions to the Board of Governors for their approval or disapproval.

Finally, I would limit the borrowing authority of the Postal Service. When considering Postal Reorganization, it was determined that the Postal Service, like other corporations, should be permitted to borrow money for capital expenditures and operating expenses. The law authorizes the Postal Service to issue and sell obligations not to exceed \$10 billion outstanding at any one time. The net increase outstanding in any 1 year shall not exceed \$1.5 billion for capital improvements and \$500 million for the purpose of defraying operating expenses.

At the present time the Postal Service has an outstanding debt of about \$3 billion. Of that amount, \$2.8 billion is financed through the Federal Financing Bank, a division of the Treasury, and \$250 million is financed through the issuance of bonds. At the FFB \$1.3 billion is attributable to capital expenditures and \$1.5 billion is attributable to operating expenditures. Of this \$1.5 billion figure, \$500 million was borrowed as recently as May 28, 1976.

Based on their present financial condition, there is a serious question as to the ability of the Postal Service to repay their present debt. Thus, the authority to borrow for operations should be limited to \$500 million at any one time. If the Postal Service should default, the FFB would look to the Federal Treasury for repayment. This is obviously undesirable. This action would never be tolerated in any well run business enterprise.

As we all know, most Americans are dissatisfied with the U.S. Postal Service. We receive literally thousands of letters expressing this dissatisfaction from our constituents. Daily, we read news stories and editorials which express concern about the erosion of service and which question management of the Postal Service. We are not only seeing the erosion of service. We are experiencing a crisis in confidence in an institution which touches and affects the lives of almost every American daily.

It is high time that the Congress provide guidance to the U.S. Postal Service. It is time for us to take a critical look at this necessary institution and make

changes which will help the Postal Service get on the track toward achieving the original goals of postal reorganization. These goals are improved service to all Americans and responsible management with the development of financial stability.

I have taken my critical look, Mr. President. And I am offering an alternative to postponing the inevitable. The purpose of my substitute is to insure better service, financial stability and more accountability to the people. We simply cannot continue to ignore the problems by hiding behind another blue ribbon commission as is being suggested by the Post Office Committee.

Mr. President, I know why the Postal Service has gotten into and continued down the road of business failure at the cost to the American people. I think we all know why. The service has been going downhill since the beginning, but we have refused to look. We did not want to see the problems.

Two years ago, Mr. President, after literally thousands of letters of complaints from postal users across our Nation, I decided that we should turn our attention to this mess. I introduced legislation. I asked for hearings. I was told to wait. I was told we should "give them some more time." We never had general oversight hearings and we have but a few staff investigations. But during the past few months, I have studied this issue. I have read the 140 some odd GAO studies and reports. I have reviewed the hearing record from our colleagues on the House side. And I have met with associations, mail users, Postal officials, and the GAO.

Mr. President, I am aghast at what I have learned. I would like at this time to share some of this information with the rest of my colleagues.

THE COMMITTEE REPORT AND OUR SUBSTITUTE

Let us begin by taking a look at the committee report which actually highlights and supports many of the provisions of our proposal. The committee points out that in face of an increasing deficit the Postal Service is reducing expenditures and service reductions. Small post offices have been closed; a number of business deliveries in many cities have been reduced; doors and to some extent, curb line delivery has been abandoned for new residential addresses; overtime work has been reduced, thereby increasing delivery time; and in many regions there has been a freeze on hiring which also increases delivery time. The committee further acknowledges that additional cuts in service are being considered and are extremely likely if the present conditions at the Postal Service remain unchanged.

Next, the committee points out that postal rates have been increasing. The first class rate has increased at a greater rate than the consumer price index and predictions are that rates will continue to increase. I am told that we could see another rate hike after the beginning of the year.

They then move to concerns over the fiscal posture of the Postal Service. The postal deficit increased from \$175 million in 1972 to \$989 million in 1975. A deficit of \$1.5 billion is estimated for fiscal year 1976 and a \$1 billion 55 mil-

lion deficit is estimated for fiscal year 1977. I quote from the committee report:

If it were truly a business, the United States Postal Service would be bankrupt.

In 1971 \$3.4 billion worth of assets were turned over to the Postal Service. By the end of fiscal year 1977 the Postal Service will be faced with an accumulated deficit of approximately \$4.5 billion. Thus, since postal reorganization, the Postal Service has lost around \$8 billion.

The committee goes on to point out the abusive use of the borrowing authority granted to the Postal Service. Under reorganization we gave the Postal Service the authority to borrow up to \$10 billion. It was intended that these funds would be used primarily for capital expenditures. However, the Postal Service has been borrowing \$500 million a year to the extent of \$1.5 billion outstanding which has been used to defray their operating deficits. The committee has expressed great concern that annual resort to off budget borrowing for operating expenses will only deepen the Service's insolvency.

The report further points out that according to the General Accounting Office mail is not moving as well as in 1969. Also, there have been problems in the rate setting procedures and problems in increased costs of operation to the Postal Service. Now, it is stated on page 15, after the ground work for consideration of the committee's legislation which began in February of 1973 the committee solution is to commence yet another study with yet another blue ribbon commission and to authorize funds as a stopgap measure.

The mail service to the public has deteriorated and is deteriorating. The public has been expressing its dissatisfaction, not only through complaints to our offices, but also by withdrawing its business from the mails and switching to other means of communications. This is evidenced by a per capita drop in pieces of mail handled since 1971. In the most recent fiscal year, the Postal Service handled 89.3 billion pieces of mail, down nearly 1 percent from 90.1 billion the previous year. The volume drops result in increased rates which in turn produce a greater loss of business which again will force increased rates.

The cost of this vicious cycle has been staggering. The cost of mail service has risen by 63 percent since 1971, while prices of other services measured by the Consumer Price Index have increased by only 35 percent. Despite the negligible increase in total mail handled since 1971, when volume was 87 billion pieces, the public now pays \$3 billion more for mail service than it did in 1971. But the real question, is what level of service does the public receive at this increased cost?

MAIL SERVICE: IS IT AS GOOD AS THEY SAY?

1. DELAYED MAIL

The Postal Service's measurement system shows that on a nationwide basis 96 percent of local first-class mail receives overnight delivery. However, this figure includes only stamped first-class mail, which accounts for only 40 percent of the first-class volume.

The measurement system has weaknesses. A major problem is that the in-

formation system can be, and has been, manipulated at the local level. We learned that in Detroit late mail was deliberately removed from the delivery units being counted in order to improve overnight delivery performance statistics. The General Accounting Office observes that during the night before certain tests, special emphasis was being given to the mail at the delivery units to be tested the following morning. Consequently, the GAO designed a test of mail processing operations to determine if late mail was being removed from a delivery unit before it was being tested.

On five separate days, letters which were canceled several days in advance were planted with other mail addressed to the delivery units to be tested. Mail for these delivery units was sorted at the Detroit Sectional Center and sent to another office where the tests were conducted. On 4 of the days, most of the last letters were removed from the delivery units before the tests. On three occasions GAO located their missing letters along with as many as 10 other late letters with the same delivery unit back at the Detroit Sectional Center.

Three Detroit mail processing foremen said they examined mail destined for delivery units to be tested and removed late letters. They then reinserted these letters in the mail processing operation at a point when they could not be delivered in time for the test. One foreman said he held out as many as 300 late letters in a single evening. Although these foremen said they had been instructed to withhold late mail, their superiors denied knowledge of these activities.

The system has another flaw resulting from the dual purpose measurement of mail delivery performance and volume. The origin destination information system—ODIS—was designed to measure mail delivery performance and volume. However, an accurate measure of both is precluded by ODIS's data collection procedures for recording misthrown mail.

Misthrown mail—mail at the right office but wrong delivery unit—is recorded as "delivered" during a test. Presumption is that mail is misthrown in equal amounts among all delivery mail units and will be sorted to the proper unit for delivery that same day. This presumption is not entirely correct because misthrown mail is not always delivered the same day. Also, offices cannot agree on how to treat such letters and headquarters has no written policy. Recording misthrown mail remaining at delivery units from the previous day overstates mail volume for that day and unit.

The GAO evaluation showed that overnight delivery areas are tailored to meet a 95-percent performance. Geographic areas committed for overnight delivery are determined by each sectional center facility—SCF. Generally, a commitment is made to only those areas where SCF postal management expects to meet its goal 95 percent of the time. Overnight delivery areas are continually being expanded and now include over 50 percent of the first-class mail volume.

Aside from the manipulation the Postal Service does not measure the time required for mail to be collected, transported, prepared for postmarking, sorted for delivery by carriers or clerks, and delivered. The Postal Service assumes that most mail is postmarked the same day it is mailed and that a carrier delivers the mail on the day he receives it. However, stamped first-class mail destined for delivery overnight and mailed by 5 p.m. is collected and canceled with an a.m. or p.m. postmark of the date on which it is mailed. Mail collected after 5 p.m. receives a minus p.m. cancellation. The minus p.m. cancellation is not recorded on an ODIS test as qualifying for overnight delivery and that mail is not included in the Service's overnight delivery performance statistics. About 20 percent of all overnight area mail receives a minus p.m. postmark and is included in the Service's 2-day delivery statistics.

The conclusion of the General Accounting Office is that the only continuing measure of first-class mail delivery performance before and after postal reorganization is average time to delivery. In 1969, the average time to deliver first-class mail was 1.5 days. Today, the average is about 1.65 days.

2. REDUCTIONS IN SERVICE

Fewer pickups and collections, missent mail, less window service in post offices, no more air mail, closing small post offices. Aside from this overall delay, there have been other reductions in mail service. Prior to the postal reorganization, mail was collected two or three times a day from residential collection boxes. Currently, mail is collected only once a day from most of these boxes. For example, before the reorganization, mail may have been collected from residential collection boxes at 9:15 a.m. and 4:45 p.m. each day and such mail would have been postmarked and dispatched during that day. Under current practice, mail may be collected from these boxes only at 11 a.m., and mail deposited between 11 a.m. and 4:45 p.m. will no longer be postmarked and dispatched on the day of mailing.

The number of mail collections in business areas has also been reduced. The former Post Office Department collected mail from collection boxes in business areas as late as 9 p.m. and some of this mail was postmarked and dispatched on the same night. Collections are now limited, and most evening deposits in business areas are no longer processed on the same day.

Also, prior to reorganization, business mail was delivered two or three times a day. However, except for a few designated areas, deliveries have been reduced to one per day.

Another cause of delay has been missent mail. To speed mail deliveries, increased productivity, and reduced costs, the Service has been increasing mechanization—largely through the installation of letter-sorting machines across the country. The Postal Service is currently processing about 60 percent of the 51 billion pieces of first-class mail by machines and about 7 percent is being

missent. The delay in delivering missent mail is a major reason why the Service has not achieved its delivery standards in 2- and 3-day areas.

The Service is constantly adding more machines around the country to further mechanize the sorting of mail to speed deliveries and cut labor costs. At the time of reorganization, the Service had about 280 letter-sorting machines. Today, including those on order, the Service has 712 such machines. It follows that as more multiposition letter-sorting machines are added, and more mail is being processed on them, the amount of missent mail will rise proportionately unless the Postal Service can solve this problem. However, given the billions of pieces of mail being processed and the proneness of humans to err, a substantial amount of missent mail will continue to be a problem as long as the machines are in use.

A letter-sorting machine can process up to 43,000,200 letters per hour. Each machine accommodates 12 operators who process letters.

The operator depresses keys on a piano-style keyboard console, generally corresponding to the numbers and the letters zone improvement plan—ZIP—Code. The machine interprets the keying entry and directs the letter to one of the 277 bins or receptacles that has been assigned to key code. Letters are manually extracted from the bins, screened for correct keying, and then advanced to the next operation.

GAO's observation showed that machine operators keyed 9.1 percent of the mail incorrectly. After screening, 3.6 percent of the mail sent between States was missent due to incorrect keying and machine error. An additional 3.1 percent of the mail sent between States was missent because correctly keyed mail was mishandled after sorting. Missent mail was delayed an average of 3 days beyond delivery standards because no effort was made to remove it from the normal processing system.

These errors cause a letter to be sent to an improper location. Also, at a minimum these errors cause letters to be rehandled and cause mail delays and additional processing costs. The monetary effect of this rehandling is demonstrated by the House office where machine processing costs were increased by about \$1,060 a day. If this figure were multiplied to reflect the increased costs across the country, we would be talking about millions of dollars per year.

I am not saying that mechanization per se is bad. Given the ever-increasing mail volume and the labor-intensive service operations, mechanization is necessary if the Postal Service is to provide a highly quality mail service at reasonable rates. The fact remains, however, the present mechanization has increased quantities of missent mail and, therefore, poorer service.

Over the last several years, about \$39 million was spent to develop three pieces of advanced mail processing equipment. This effort has not resulted in the development of equipment that offered advantages over existing equipment. Of the \$39 million, \$28 million was spent

on an advanced optical character reader. The Service has only one machine in operation and has decided against further deployment because it is uneconomical. Postal tests and evaluations of the \$1.5 million air culler have shown that it is not economical either. The \$9.5 million advanced facer-canceller encountered numerous developmental problems. The Service is still hoping that these machines can be deployed in the future.

Among other things, I feel the Service should reassess their research and development program.

Moving on to further deterioration in services, the Postal Service has curtailed the number of hours for window service. Beginning in the spring of 1971, the Postal Service began curtailing window service on Saturdays. Window services were usually available to the postal customers between 8 a.m. and 5 p.m. and the Saturday closings did not allow for pickup of parcels not deliverable during the week, general delivery, postage due, registered or certified mail.

Additionally, stamps cannot be purchased and parcels cannot be mailed on Saturdays unless the post office has self-service equipment available. Usually, these self-service machines' stamp supplies become depleted during the weekend and, if there are equipment malfunctions, they are not usually repaired on the weekend.

Further cutbacks have been made over the years in both the number of street letter boxes and the frequency of collections. Weekend and holiday collections have been particularly affected by collecting policies devised to meet with the service as determined or services consistent with the pattern of modern business and family life.

Collections are made from most residential neighborhood boxes only once daily by the carrier serving the area. More frequent collections have been sharply curtailed and, across the Nation in post office after post office, residential area street letter boxes have been removed from many former locations. Obviously, a reduction in collection and a reduction in the number of boxes is a clear reduction in service.

In its drive to become self-sustaining, the Postal Service took aim early on personnel costs. In the summer of 1971, former Postmaster General Winton Blount announced the first of two retirement offers which featured a half-year's salary as incentive. Many knowledgeable and experienced employees, including a fourth of the supervisory force, left. There were 13,000 retirements as a result of these programs, along with 17,000 additional voluntary or disability retirements between June 1 and December 31, 1972.

On top of this, a hiring freeze, imposed on understaffed as well as overstaffed offices, placed a serious strain on the Service's ability to move the mail. This necessitated wide use of mandatory overtime policy which rankled the employees. At one facility, the Merrifield, Va., mail processing facility, for example, postal workers were reportedly harassed by 6- or 7-day weeks of 11- and 12-hour duration. Later, national agreements between

the Service and the craft unions require the Service to seek volunteers before ordering mandatory overtime, and then to order overtime work in inverse order of seniority. During this time, low morale and understaffing contributed to the Postal Service's failure to achieve delivery standards. It also caused the delay of millions of pieces of first-class mail. This cost control program proved to be intolerable as acknowledged by the Postmaster General in testimony before the Senate Post Office Committee in March of 1973. He said:

We were so hell-bent on costs that we did not pay enough attention perhaps to service . . . we made some damn bad mistakes.

Presently some regions continue a freeze on new hiring. This practice along with reductions in overtime work necessarily increases the delivery time of mail.

Another attempt to improve service began in October of 1975 when the Service implemented the "first class improvement program," a test plan to upgrade first-class mail service to achieve delivery equal to or better than airmail. Prior to the new program, airmail service was destined for 1- to 2-day delivery while first class mail was destined for 1- to 3-day delivery depending on distance and available transportation. Under the new program, 90 percent of all first-class mail weighing 13 ounces or less is programmed for next and second day delivery. For the mailing public, the practical effect of the program is that there is no longer an advantage in purchasing airmail postage for domestic delivery.

The Service initially estimated that it would save \$90 to \$96 million by implementing the program because airmail would no longer be collected, handled, and processed separately from first-class mail. An independent assessment by the Postal Rate Commission concluded the Service might be expected to achieve a net annual savings of at least \$88 million.

According to GAO, the results of the program have been disappointing. While the Service is now delivering about 17 percent of its first-class mail faster, it has not been able to meet its upgraded commitments with any consistency. Also, it appears that only a portion of the estimated savings will be realized.

During the years 1970 to 1975, the Postal Service used the work load recording system—WLRS—to measure productivity in various mail processing operations within a post office. The Service fostered competition among post offices by generating a list of the top 80 offices in productivity.

The work load recording system was implemented to assist management in measuring and analyzing mail volume and staff hour data in specific operations, post offices, and regions. Chief elements of this system were a standardized description of mail processing, support, and administrative operations; records of mail volume by weight, containers and pieces; and records of hours worked by mail handlers and supervisors.

Postal management used data from this system to compare productivity office by office and to foster competition among

post offices. Management started listing the top 80 post offices by productivity and by mail volume, both of these factors appear to increase nationwide.

When the top 80 list was first started, the D.C. Post Office ranked near the bottom. Before long, however, it began to rise. Larger and larger mail volumes were reported and productivity improved until the City Post Office consistently ranked at or near the top. Thus, it was considered one of the best run post offices in the Nation.

The City Post Office is one of several comprising the former capital district. The individual who served as the Capital District Manager from July 1971 until October 1975 served as postmaster of the City Post Office from December 16, 1958, until his promotion on July 23, 1971. After a series of officers in charge, the current postmaster was appointed on January 12, 1974.

In a GAO review the Postmaster told them that after being on the job for only a brief period, he realized that mail volumes being recorded were incorrect. His tours of the facility indicated:

First, the volumes recorded were higher than those he observed; and

Second, the facility was generally overstaffed. He said this overstaffing resulted from the inflated mail volumes. In his office, he found prior inspection service reports which documented the history of falsification of mail volumes. There is no record, however, of any corrective action having been taken by his predecessors. The Postmaster said at this point he really did not know what to do about the problem so he decided to allow mail processing operations to continue as they were for the time being.

The postmaster told GAO that after assuring himself that a serious problem existed, he took corrective action. During May 1974 he called a series of meetings of all tour supervisors and informed them he knew of the volume falsification and wanted it stopped immediately. He threatened to fire anyone caught falsifying volumes in the future. As a result, mail volumes and productivity reported in the workload recording system for the periods June 2 through June 28, 1974, declined about 25 percent.

When the results for this period became known at the district level, the district manager called the postmaster to his office and requested an explanation for the drop in productivity. When the postmaster said the prior productivity figures were false, the district manager disagreed and accused him of having lost control of the city's post office.

This controversy ultimately resulted in a request by the eastern regional postmaster general for an Inspection Service audit. The audit of the post office began in August 1974 and concluded in March 1975. The Inspection Service found that, in spite of the postmaster's warning to subordinates to cease all mail volume inflation, the situation had not been completely corrected. The Inspection Service estimated that inflation of total piece handlings may have exceeded 60 percent.

As a result of the audit, 28 supervisory employees, ranging from firstline man-

ager to tour superintendent, admitted falsifying workload recording system data and/or were implicated by others. Eighteen craft employees also admitted deliberate falsification of data and/or were implicated by others.

The most common reason given by employees for participating in the fabrication were the pressure from higher management to achieve unrealistic productivity levels and a belief that their careers would suffer if these levels were not met. The inspection service report contains statements from employees such as "I, as a supervisor, knew that desired productivity had to be met or my career would suffer"; "Word from higher up would come down to improve productivity or be fired"; and, "For me, it meant that if I did not satisfy demands, my 20 years of service was in jeopardy."

Supervisors who were implicated said management had set unrealistic production goals and that if goals were not met, the person involved would be fired or transferred to a less desirable assignment.

The supervisors also cited as a reason for falsification the management practice of keeping staff on "acting status." Supervisors serving in acting status positions considered themselves to be more vulnerable to pressure than employees holding regular positions. They felt that they were being tested to determine whether they would conform to the system and meet productivity goals. To satisfy these goals, many employees either inflated mail volumes themselves or condoned such actions by subordinates.

The Inspection Service report concluded that, despite repeated letters from the region calling attention to Postal Service procedures and stating that mail volumes were inflated due to improper recording procedures, no corrective actions were taken.

On the basis of the GAO study it appears that falsification continued after the postmaster ordered it stopped because: First, the true productivity statistics would have painted an unfavorable picture; and second, the former postmaster, as district manager, was still in a position of authority and influence over city post office operations.

Fortunately, several improvements in the efficiency of the post office have been made. A number of employees and paid hours have been reduced and the trend of continually decreasing productivity has stabilized since the Inspection Service audit. There are now 554 fewer employees, 1,016,000 fewer paid hours.

While an audit has not been conducted on other post offices that are under the same program, it seems quite possible that other abuses of the workload recording system exist. The point to be made by this incident is that while the Postal Service claims increased efficiency and productivity, it just does not exist in many cases.

In another area of mail delivery the Service instituted a new policy of providing only curb side or cluster box delivery to new housing developments. Developments currently receiving door-to-

door service would not be affected. The Service has met with strong opposition to this policy in many local areas, some in the form of ordinances which prohibit residents from installing curb side boxes. It is really the preference of the Postal Service to install cluster boxes.

And while they claim such action would significantly decrease the costs of delivery, the proposal is clearly discriminatory and the standard of service would not be the same for all residential households.

Finally, the Postal Service has recently decided to close small post offices in rural America. Mail service to rural areas is provided through 18,300 small post offices—formerly referred to as third- and fourth-class post offices; 2,100 contractor operated facilities; and 30,700 rural routes. About 4 million families are served by these facilities. Again, the Postal Service would close these offices in the name of saving dollars.

In instituting this program, the Postal Service decided to survey small post office facilities before commencing a plan to close offices. However, it has been reported that the decision to close was made prior to such survey. Obviously, a survey is useless when the result has been preconceived.

When considering whether or not to close a post office several factors must be considered. What level of service will the patrons receive? What contribution does the post office play in community identity? What is the expected growth of the community? What saving can be expected from the closing of the post office, and is this saving balanced by the dissatisfaction that may result of postal patrons?

In recent months we have seen the great stir that has been caused by closings and threatened closings of small post offices in America. In fact, a number of Congressmen and Senators joined in a lawsuit with the aim of stopping such closings. When Postmaster General Bailar was before the Senate Post Office Committee on March 29, 1976, he stated that the very small sum of about \$2 million has been saved as a result of these closings.

The present status of the Postal Service has brought about major concern from just about everyone, particularly over current postal policies affecting mail service. The Postal Service is not a business, nor is it a public business. It is a service that touched upon the lives of just about everyone in America. This leaves intact the key issues of just how the mails should be delivered, and who is to pay for what. The answers to these questions cannot be postponed any longer.

I think it is fair to say that all economies, programs for saving money, have been costly to the quality of mail service.

Instead of saving money through service reductions, it is my opinion that better business practices might effect greater efficiency in management and better mail service to Americans.

POSTAL POOR BUSINESS PRACTICES INTRODUCTION

Mr. President, one of the major goals of postal reorganization was to make the

newly constituted Postal Service a truly businesslike operation. Corporate managers were recruited from major industry to get the system going.

Unfortunately, Mr. President, most of these corporate operatives must have left their business and knowledge, principles and skills and integrity in private enterprise. The Postal Service is no more businesslike than it ever was. In fact, it is much worse. It is much worse, Mr. President, because the Service is not accountable to the President, the Congress, or the American people.

I do not pretend to be a management expert. But it does not take a specialist to detect the wrongdoings, mistakes, and outright scandalous business activities the Postal Service has put on the backs of postal users across this country.

The Postmaster General has indicated that he must cut services, close small post offices, and raise rates to keep the Service afloat. I ask, Mr. President, why the Postmasters General were not so frugal when they were giving sole source contracts to their friends to perform "services" for the Postal Service. I ask, Mr. President, why they were not more protective of taxpayers and postal funds when they planned the bulk mail system which put more than \$90 million of contracts into the construction firm of a former Postmaster General. Why is the Postal Service not able to become aware of the bulk mail failure and write it off as other big corporations would do instead of trying once again to bail themselves out of this mistake by even further burdens on the American postal users.

Mr. President, why was the Postal Service not more protective of and aware of their financial situation when they contracted for designs of facilities which were never built because the concept was wrong from the beginning.

Why, Mr. President, was the Service not more aware of Postal Service finances when they, unlike any other corporations about which I know, moved their regional offices from Atlanta—the commercial hub of the South—to Memphis. And why does the Postal Service continue to perpetuate the district level of management which is no longer necessary.

Mr. President, I would like at this time to share with my colleagues some of the information I have gathered from mail users, postal management, clerks, carriers, postmasters, and our colleagues here in the Senate and in the House. This information sheds an important light on the present postal situation. We must understand the nature of the problem before we can move forward on meaningful postal reform.

SOLE SOURCE CONTRACTS

Generally, the biggest problem I have found with the business practices of the Postal Service is reflective of the fact that they do not forecast. Whether it is with bulk mail, advertising, equipment and maintenance, or contracting for services, the Postal Service seems not to know what it is getting into until it has already done so.

Mr. President, early in the second ses-

sion of the 93d Congress the House Subcommittee on Postal Facilities, Mail and Labor Management conducted extensive investigations and hearings which reviewed the Postal Service's contracting and procurements policies. This was done in response to loud public outcry through letters, news articles, and complaints from vendors who felt they were not being given a fair deal. There were strong allegations of impropriety, including alleged conflicts of interest, favoritism, intimidation, and circumvention of regulations by postal officials.

While it is not my intention to point a finger at any one particular Postmaster General, it is important that we understand both the history of postal procurement and the findings of the House.

Prior to postal reorganization, the Post Office Department was bound to follow all Federal procurement regulations. After postal reorganization, Postal officials argued that a new business-oriented agency they needed flexibility.

The broad authorities as provided for in section 410 of postal reorganization granted the Postal Service an exemption from Federal laws relating to contracts with a few exceptions such as those laws pertaining to labor, civil rights, and criminality. In the words of Mr. James Woods, a former high level procurement official for the Postal Service, reorganization "had granted us probably the greatest—procurement—authority any Government agency has ever been given."

With this new authority the Postal Service developed the Postal Contracting Manual which was to unify and systemize postal procurement in a way it had never been done before. During the House hearings, one of the authors of the manual stated:

The first point in all of it (manual) is competition, no favoritism, and awarding contracts on a free and open basis.

We were encouraged to see postal management reorganize the system to best protect the interests of the consumers.

Unfortunately, however, this freedom to engage in contracts was abused. A 1974 GAO report "found extensive sole source contracting representing about 44 percent, by dollar value, of total headquarters procurement." The GAO, at that time pointed out:

It is well established that there is less assurance that fair and reasonable prices will be obtained on procurements negotiated under sole-source, as opposed to competitive contracting.

Assistant Postmaster General Robert McCutcheon, in charge of postal procurement told the House that—

I know competition versus sole source normally will save an average of 30 percent.

Mr. President, thanks to the initiatives of independent news reporters and the outcry of public response and the aggressive leadership of the House subcommittee, the following information surfaced. And the Postal Service has improved its contracting authorities.

The Postal Service justified sole source contracting because "an urgent or immediate need existed and/or a particular contractor was the only source of sup-

ply." In 1974, the public learned of Postal Service's relationship with Burnaford & Co., Inc., an advertising agency directed by Mr. Charles Burnaford, a friend of former Postmaster General Klassen.

Between June 1970 and August 1973, this company was awarded "about \$815,000" for services. A number of audits by the Postal Inspection Service, the GAO, and independent investigation found that: First, Burnaford & Co. charged twice as much in salary in the second year; second, Burnaford & Co. billed the Postal Service for labor costs in excess of actual labor costs; third, Burnaford & Co. charged the Postal Service for all his auto expenses—Cadillac, Mercedes-Benz, and Datsun; fourth, Burnaford & Co. overcharged the Postal Service for travel expenses; fifth, Burnaford & Co. charged bad debts from other clients to the Postal Service; sixth, Burnaford & Co. charged for personal telephone calls; and seventh, Burnaford & Co. was charged with basing profits on a percentage of direct labor.

Mr. President, I cannot see any direct urgency in the acquisition of creative advertising services. Nor can I see that there was any urgency in Deputy Postmaster General's arrangement with another friend, with whom he was later employed, to consummate a consulting arrangement with a retirement advisory firm. Further details of this scandal are not worth our time. However, this issue was presented in the House subcommittee's report which can be reviewed by my colleagues if they desire.

The House committees study of postal contracting uncovered wastes of considerable sums of money. Some of these wastes were caused by sheer bad judgment or poor management, others can be explained by what the Postal Service calls poor "planning or forecasting."

In March of 1972, the Postal Service began contracting for executive recruitment to fill permanent job positions within the Postal Service. In the first 2 years of this program, the Service "spent about \$660,000 in contractual costs to fill 78 positions, or an average cost of more than \$8,400 per individual hired." To quote the House report further:

Apparently, no consideration was given to whether the recruiting could have been done in-house or through the Civil Service Commission.

A postal official stated that it has become "unofficial" policy to engage search firms for executive level positions. He added that executives meant officials earning more than \$21,000 or more at the time the program began.

Mr. President, I only wish that such expenditures could be more directly related to providing postal users better, more efficient, and reliable service. The Service said that "this program was intended to exemplify good business practice * * * I am not sure that it is good business practice to spend so much money identifying talent through outside outlets when we all agree, including present postal management, that experienced postal workers can do the best job."

Audits of this program have shown that contracts, often oral agreements,

have been extraordinarily wasteful. To quote the report again:

Analysis of the \$660,000 program shows that about \$137,000 worth of "task orders" (informal contracts) resulted in no individuals being hired.

Additionally, the House subcommittee learned that one postal official was responsible for this program and that no one was responsible for evaluating or even monitoring the program. This waste, Mr. President, should not have occurred. But until accountability is restored, I feel that it could continue.

Mr. President, a number of years ago, we were outraged to learn about the Postmaster General's elaborate headquarters suite. We read in the news about the costly kitchen and furnishings. I have recently reviewed the GAO study of the costs for furnishing the Postmaster General's suite and I would like to insert these figures in the Record. I learned that the Postal Service spent \$48,000 to furnish the Postmaster General's suite of offices. This includes art work, lush carpeting, and other accessories none the like of what we occupy here on Capitol Hill.

The Service also spent \$130,000 to furnish the space where the Board of Governors meet monthly. This, of course, includes full dining and entertaining facilities on the top floor of the L'Enfant Plaza headquarters. Mr. President, I was also intrigued to learn that the Postal Service spent roughly \$3,700 to outfit the Postmaster General's office with walnut doors. And Mr. President, we should all know that outfitting these suites was done on the basis of sole source contracts because, and I quote, there was "not sufficient time to solicit competitive bids."

Mr. President, I recognize that these are not terrifically large sums of money. However, there is waste. And the public becomes more aware of this waste when rates go up or when an important letter is delayed or lost. Mr. President, if we can restore accountability, we can restore confidence. But with no accountability, and thus continued waning of the public's confidence, the Postal Service and mail consumers are in for hard times ahead.

OTHER WASTES: BAD FORECASTING

A second major goal of postal reorganization was to make a major commitment to modernizing facilities and developing more mechanized systems for processing mail. The Postal Service has squandered many public dollars on developing systems which were never necessary or which will never work.

Mr. President, between the beginning of postal reorganization and the winter of 1974, the Postal Service spent \$43.4 million to contract for developing modern equipment. They sought to develop and refine the air culler, the advanced facer-canceller, and the advanced optical character reader. This equipment was intended to reduce labor costs.

In 1974, the GAO evaluated the progress on these projects. They noted that:

First, all three machines are "islands of mechanization" which means they are manually fed and unloaded; second, after six years in the developmental state none of the machines are suitable for production and de-

ployment at this time; third, all three machines will cost two to thirty times more than the existing system and none of the machines will result in substantial manpower savings.

And they have not.

Mr. President, the GAO explained this problem. They told us that test and evaluation activities for these items were under the control of project management and that there was no "adversary function" to challenge program manager decisions.

The GAO recommended independent evaluation and/or supervision. In other words, oversight was needed. It did not exist. Nor does it now. And that, Mr. President, is one of the major thrusts of our substitute proposal. It is absolutely imperative that the executive and legislative branches of Government oversee the Postal Service in an effort to keep it alive and well.

One might argue that we are free to go on record with our advice to the Postal Service. In fact, the gag rule was suspended just this year and I am now free to talk with the postmasters in my State. However, informal talks do not work. The Postal Service has become an independent island unto itself. It is neither responsible nor responsive. In 1971, when Postmaster General Blount came to the Hill to tell us about his plan for a new \$1 billion bulk mail system, a number of Congressmen indicated that they had reservations. This did no good. The Postmaster General returned to his office and proceeded with the project which has been the Service's largest and most obvious boondoggle to date. I will talk about the specifics of this problem later. The point I wish to make is best stated in the House Committee report. I quote:

Many, and perhaps most, of these problems were caused by postal management's over-eagerness "to get things done" despite insufficient planning . . .

Mr. President, a final example will be stated to further clarify and expand upon this important point I am making about poor planning and lack of foresight.

In June of 1972, the GAO issued a report, entitled "Examination of Selected Terminated Architect-Engineering Design Contracts." The report indicated that the Postal Service paid architectural-engineering design firms to design five multistory postal buildings in which preferential mail—letters—and bulk mail—advertising circulars and packages—were to be processed. However, in midstream the Postal Service determined that the concept of multistory buildings was not appropriate for mail processing, and that another approach would be developed. The vendors received payment.

The Postal Service had designed buildings which they could not use. To quote the GAO report about this endeavor:

We believe that the Postal Service will receive little, if any, benefit from the work performed by the architectural-engineering contractors on the design of the five postal buildings.

Instead of building the five buildings the Postal Service decided to embark upon the development of the bulk mail system. Unfortunately, they have spent \$1 billion thus far. And I am not alone in

my thinking that they might soon abandon the idea of a national bulk mail system.

Mr. President, it is my strong feeling that Postal management wants so badly to succeed that they move too quickly, and needless to say, they have a pretty good record for falling flat on their faces.

BUSINESS INEFFICIENCIES VEHICLE MAINTENANCE

Review of GAO studies indicates that the Postal Service practice of servicing and maintaining their own vehicles is wasteful. The Service has over 100,000 vehicles in its fleet which they service in their own facilities when possible. However, the GAO reviews show that "commercial maintenance generally costs less than that performed at the Service's facilities." The study shows that the commercial cost for replacing a starter is \$16.45, but that it costs the Postal Service \$67.37 to do the same work. The commercial cost for replacing a muffler is \$17.34 but it costs the Postal Service \$97.98 to do this work. The commercial cost of a tuneup is \$21.55 versus the Postal cost of \$42.05. And the commercial cost for installing a starter and ignition switch is \$42.51 as opposed to the \$81.50 it costs the Service to do the job. On the face of it, Mr. President, this is rather ridiculous that the Postal Service is encouraging such wastefulness, again at the expense of mail users. Again, I say that service suffers as a result of poor management. And to get better management of this massive and very important institution will require a renewed commitment to accountability.

MAIL TRANSPORTATION CONTRACTING

Mr. President, the Postal Service frequently contracts vehicle services as a means of transporting mail between postal and private facilities. They have more than 12,000 contracts on which the Service expends about \$300 million every year.

A GAO study, which I reviewed, indicated a finding that postal procedures were not adequately identifying opportunities to reduce costs while maintaining the same service. A review of 85 such postal contracts disclosed that the Service could eliminate or reduce 16 of the contracts and save about \$185,000 and about 88,000 gallons of costly fuel every year.

While the Postmaster General, supported by his Board of Governors, tells us that he must cut back service to keep the Service afloat, there is continued waste of funds which could be used to cover costs. The relatively small sums of money wasted add up over the course of a year. And I am convinced that these wastes would not continue if the Service was held accountable, if the Service was forced to report on its budget and have it reviewed by the OMB and the Congress.

PRODUCTIVITY MANAGEMENT

Mr. President, with the mechanization of postal facilities across the country, it was planned that productivity would rise considerably thus saving money and cutting the costs of operating. Unfortunately, reports on productivity improvement

statistics are not reliable and I am not able to determine the degree to which productivity has decreased.

Between 1970 and 1975, the Postal Service used the workload recording system to measure productivity in various mail processing operations within a post office. As an incentive, Postal Service management injected competition between offices: they generated a list of the top eight offices in productivity.

On the surface, this system was initially very successful: both productivity and mail volume appeared to increase nationwide. But an audit in 1974 showed that in many offices purported productivity gains were achieved by manipulating the records.

This records falsification was so widespread, Mr. President, that the Postmaster General was forced in November 1974, to grant amnesty to all postal employees on the condition that the irregularities would cease. The Washington, D.C. Post Office was near the bottom of the list when the list of 80 was developed. In time, the productivity and mail volume increased steadily and the office reached the top of the list. However, the 1974 audit revealed that productivity may have been inflated by as much as 110 percent in that one office.

I am not trying to unnecessarily jab at the Postal Service. However, I think that it is important that we understand the complexities of the management problems. We in the Congress will never be able to improve postal productivity.

However, we were promised that, with the huge investments in mechanization, productivity would be improved, thus saving money and holding costs at reasonable levels. Unfortunately, the Service has not yet been able to adequately determine to my satisfaction the degree of success. I am astounded to hear how productivity has increased but then to learn that the figures have been grossly manipulated.

Mr. President, I am convinced that a public subsidy is necessary. However, I am equally convinced that the American people want to know what they are getting in return for the infusion of public funds. Without reliable statistics, we are not able to know what we are getting.

WORKING CONDITIONS IMPROVEMENT PROGRAM

Another major goal of postal reorganization was to improve the working conditions in postal facilities. Poor lighting, bad ventilation, excessive noise, and cramped space made the working conditions very difficult for many hard working people in the Service.

Many of us were pleased to learn that in early 1972, the Postal Service created the working conditions improvement program. The objective was to have 95 percent of postal employees housed in adequate facilities by June 30, 1975.

In December of 1974, the GAO reported that the program was not well managed in its early stages. This poor management, the GAO tells us, inhibited progress on this needed program. Some of the problems included: First, insufficient staffing and direction to effectively execute the program; second, inadequate reporting procedures for informing management of program progress; third, a

need for improved identification of needed facility improvements; fourth, a need to obtain employee views on required facility improvement, the Service's inadequate guidance on improving leased facilities, and fifth, a need to insure that improvements are made in order of their priority.

Mr. President, the program was completed in 1975 with a total commitment of \$260 million. At that time, the GAO reported that "87 percent of postal employees were housed in fully adequate space or in buildings being upgraded." A high level postal official told us last week that these figures were not accurate, that the movement to new bulk mail facilities skewed the statistics and that many, many employees in numbers and not just statistics still work under bad conditions. I also learned, Mr. President, that much of the resources expended on this program were used to repaint flag poles, clean up lobbies, and so on. In other words, I learned that the conditions for employees had not improved as we all hoped they would.

It was good policy to improve working conditions. It was bad policy to not face this problem as fully as the Service should have.

MANAGEMENT OF EXCESS SPACE

Mr. President, I have just received a GAO report which indicated that "the opportunity exists to generate additional revenues by identifying excess space and leasing it to other Government agencies and commercial tenants."

Since postal reorganization, the Postal Service has taken over the management of many postal facilities which have more space than the Service presently needs. There are two explanations for the excess space:

First, the Postal Service has a policy of acquiring space to meet projected 10-year requirements.

Second, mail processing concept changes, such as the area mail processing plan and the bulk mail system—consolidated mail processing in large mechanized facilities—created excess space in a number of facilities.

If the forecasting and 10-year projections are valid, which parenthetically I am not sure is so, then the acquisition of excess space makes good sense. But letting the space go idle costs us revenues which could be derived from leasing the excess until it is needed.

(6) GOVERNMENT RELATIONS

Mr. President, we all know that large corporations have a Government relations function within their corporate structure. Essentially these units represent the organization's interests here in Washington and in the 50 State capitals. Most of these organizations are very aggressive in their efforts to hear and be heard.

The Postal Service has a Deputy Postmaster General for Government Relations. I do not know who this man is. I am sure that he has been with the Postmaster General when they have come up here to testify. But not once has he brought to me a legislative proposal which would make the service better. I understand that the Postal Service asked

the committee for legislation which would permit them to use their own counsel instead of legal representation by the Justice Department.

Given this fact, it seems fair to assume that the Postal Service is happy with the Postal Reorganization Act as it was written and that no further modifications are necessary. All the Service wants is continued independence but with a higher allowance in the form of an increased subsidy.

Mr. President, every mail user, postmaster, union, or association representative, and mail user is unhappy with the Postal Service. The supervisors and postmasters have filed suit against the Service. Many large mail users are seeking alternative forms of delivery. Everyone of these interest groups has been in to see me or my staff. Each of these groups has indicated its support for changes in the law. Each has told me of its own problems with the Service as well as the more general problems. But not the Postal Service.

The Postmaster General came to see me once. He seemed to be a nice fellow, but he did not tell me of problems we could help with. I indicated that I have not met his Deputy for Government Relations. My staff does communicate frequently with the Deputy's regional representative who is very responsive when it comes to the handling of constituent complaints. More often than not written responses take from 4 to 7 weeks for canned responses. But I understand the backlog caused by at least 40,000 Congressional letters a year. Parenthetically, this is not to be excused. The Service should better equip itself to handle this volume—another example of poor management.

Mr. President, it troubles me deeply that the Postal Service is not more aggressive in their Government relations function. It troubles me that they react to our proposals but do not use their intimate knowledge of the problems to guide us. And, needless to say it troubles me that they took more than 1 year to respond and provide comments on the bill I introduced in February of 1975.

Mr. President, I have called for more congressional oversight because it is clear to me that if we do not watch the Postal Service no one, who can change the problems, will. If we do not review the budget, ask the hard questions, no one will. If we do not review the law to look for necessary modifications, no one will.

In concluding on this topic, I must reiterate my disappointment with the Postal Service's relationship with Congress. We should be working together for the American people.

(7) DISTRICT OFFICES: EXCESSIVE LAYER OF MANAGEMENT

Mr. President, I am concerned that the Postal Service is continuing its top heavy management stature. I have learned that there are 57 district offices across the country.

According to the GAO, "the district office has responsibility for supervising the operations of post offices within an established geographic area. They oversee all functions of the management sec-

tional center-mail processing, customer services, personnel and financial aspects". According to Postal Service sources these offices operate on budgets which range from \$250,000 to \$500,000 per year.

Mr. President, not too long ago a postmaster in charge of a sectional center wrote me a letter in which he described the district layer of management. He said:

This (district level) is one of the biggest problems for the Sectional Center Postmasters. The district office staffs frequently block, delay, amend and disrupt any and every progressive program of the Sectional Center. . . . The district level is a management layer that is unnecessary and expensive . . . they are high-salaried and stay on per diem most of the time.

I must take this postmaster at his word. For a year, I have asked the Postal Service, unions, associations, and layer mail users what they think. The Postal Service has never provided a formal reply. Others have indicated their beliefs that it is a management level used as a political dumping ground used to help the Service retain partisans whose jobs were phased out as a result of consolidation.

Mr. President, I am worried when I get no real hard information about such a large sum of money spent on a so-called management function which has never been adequately justified. I am convinced that this is one of those obvious functions which will never be justified until accountability is restored to the system of postal management.

Now, let me go back to the worst boondoggle.

THE BULK MAIL SYSTEM: THE WORST BOONDOGGLE

Mr. President, in an appearance before the House Post Office and Civil Service Committee in March 1971, Postmaster General Winton Blount announced his plans for a "national bulk mail system." This centralized system for processing fourth-class packages and some third-class mail was to consist of 21 new facilities with 12 auxiliary stations. It was to cost \$950 million and it was to be in operation during fiscal year 1975. To quote the House Committee report of March 25, 1976:

The project was to be the first significant leap forward initiated by a new postal management team which was to lead the Postal Service into a new era of efficiency through modernization.

The planning, design, and implementation of this project, Mr. President, represents, without a doubt, the worst postal boondoggle in postal history. The concept was bad from the beginning. The project planning was grossly inadequate and poorly thought out. The system designed does not work, packages are delayed, damaged or lost, money was wasted, and equally important, public confidence has been lost. Let us look at the background of this program and understand the problems which are, I believe, basic and symptomatic of poor management.

By the time postal reorganization was enacted, parcel post processing was in a state of chaos. Parcel damage rates and delays were driving away parcel post

users. Postmaster Blount "was anxious to have something—anything—new and dramatic built within 5 years to symbolize the new postal management's determination to make changes." In spite of warnings from postal officials, Members of Congress and major mail users who feared the system would not work, Mr. Blount proceeded full steam ahead with the project.

According to the House Committee: "Unfortunately, there is very little documentation to explain the reasoning which led (Postal Management) to acceptance of the 21 unit concept, according to Mr. Brower (Assistant Postmaster General), because at that time the new management team did everything 'on the back of an envelope' and eschewed standard government traceability procedures."

Mr. Brower indicated that he understood there were some abstract discussions of what could be done, but the House subcommittee "found no evidence that any serious cost-benefit evaluations were done on alternative concepts, such as a decentralized, less mechanized chain of facilities."

Mr. President, this represents the worst kind of management decisionmaking I have known. Furthermore, while not documented, there is reason to suspect some improprieties as Mr. Blount's family construction company received about \$91 million worth of contracts. This is public knowledge and a point which I do not wish to belabor at this time.

I have learned that two very high ranking postal officials close to the project admitted that "if they had it to do over again, the present system would never have been built." According to the House Committee report Postmaster General Bailar said, "We'll have to live with what we've got." Two postmasters in major cities claimed that there was less damage and better service under the old system, and that the bulk mail system is a disaster. The former President of the National Association of Postmasters of the United States told the House Committee:

I haven't heard anything good about (the NBMD) from any postal people I have talked to.

And the House Committee staff who interviewed employees across the country found this to be the prevalent thinking in the postal community. Let us now look at the problems.

The immediate problem of the system is damage. The GAO tells us that the "Service's goal is to keep damages below 0.5 percent of the mail processed." Between October 1975 and January 1976 the GAO reports that "three of the four operational centers we visited reported damage rates in excess of the Service's goal which ranged from 0.75 to 1.93 percent." As we read in the newspaper, Chairman CHARLIE WILSON of the House Subcommittee on Postal Facilities, Mail, and Labor Management paid a surprise visit to the Detroit facility. He reported that "tens of thousands of pieces of damaged mail were found awaiting claims processing at the downtown post office. Most of these items had clearly been crushed in the mechanization." There is also reason to believe that the

damage statistics are not accurate and, therefore, the damage rate is much larger than is reported.

It is clear that the fast design, no trial period, immediate jump by Blount into this project was wrong. The machines cannot process all parcels so labor is still high—8 percent or, 25 million pieces must be hand sorted. I have learned that the personnel complement was inadequate and will have to be expanded. Manual sorts, customer relations personnel who must explain to customers, and others are needed to keep the system going. The House Committee reported:

Most facilities have been running extra hours and require extended use of overtime to process the mail.

Mr. President, in spite of the fancy machines, which many postal officials agree were unnecessary, service continues to be lousy. I understand that missent rates average 5 to 10 percent or 15 to 30 million parcels per year. Trucks are frequently not dispatched until they are full. This causes delays.

Mr. President, for those of use who believe the post office should be run by experienced postal workers, it is interesting to note that of the 21 general managers of major bulk mail facilities, only 4 have any postal background.

Safety is a major problem within the bulk mail system. Safety officers were not consulted during the design stages of development. Therefore, much of the equipment is dangerous. In one facility, a woman had her legs crushed in the system. The roof of the Phoenix facility caved in. The safety officers, who I have been told are overworked and their offices understaffed, are modifying the equipment where possible for the safety of employees. But it is clearly a catch-up proposition which could have been avoided had the system been adequately planned, designed, and implemented.

The safety factor as well as the mechanization and physical layout of the facilities has contributed to low employee morale. Workers are isolated from one another so that there is no one around with whom they can talk, ask advice or whatever other communication might be necessary. The House committee, after investigating the system, reported that "the rate of sick leave is increasing rapidly and efficiency is declining."

Mr. President, one of Mr. Blount's major goals in developing the system was to get back parcel business which was being lost to the Postal Service's competitor. Unfortunately, Mr. President, the Postal Service just dove right into their new program. They might have learned something by studying their competitor which presently controls a large segment of the parcel market and does so with a profit.

In 1971, when the bulk mail system was proposed the competitor had expanded from handling 7 million packages in 1952 to 547 million per year. USPS had shrunk from about 1 billion to 536 million packages per year between 1952 and 1971. The decision was made that spending \$1 billion on new facilities would so improve parcel post that many packages would be taken from the com-

petitor and from new sources as a result of this investment to reach the projected bulk mail system volume of about 1 billion packages.

No indepth study was made of the competitor or its method of operation. The competitor was simply dismissed as a "cream-skimmer" who selectively served portions of the market and provided delivery service only in these selected markets.

What was the competitor doing?

How had it become so successful and yet served only these "selected markets"?

It has provided among others the following service features which the Postal Service did not provide:

First. It gave pickup service—it went to the customers and picked up the packages from them saving them daily time-consuming trips to the post office and allowing them to avoid waiting in line.

Second. It insured every package automatically to a value of \$100, and made additional insurance easily available. USPS only made this available for the packages on which the customer would pay a special fee and fill in special forms.

Third. It kept a simplified record system of every package which allowed it to prove that it had delivered the customer's package—these records were readily available to the shipper if needed in order to resolve the important questions of delivery and payment for the merchandise.

Fourth. In the areas it was certified to serve, it delivered the package to every address accessible by a passable road irrespective of whether that address was in a first-, second-, third-, or fourth-class post office and whether or not that post office had delivery service or whether or not that destination address was on a rural route.

Fifth. It expanded the selected markets it would serve as rapidly as it could accumulate the needed capital, promote and train the necessary management personnel, and secure authorization from the Interstate Commerce Commission and the many State regulatory bodies to serve these new areas. In 1971, the competitor expanded its operations into 12 States and late in that year applied to serve the remaining States which it did not serve in the 48 contiguous States, and finally,

Sixth. It had built a few big, new facilities. None as large as any of the bulk mail system facilities nor with as many employees. The great majority of facilities were smaller. Why were they smaller? Because they were built at the places needed to handle the packages in a given area and of a size sufficient to handle the volume in that area yet at the same time maintain a delivery time service standard which provided for better delivery service than that proposed as the goal of the bulk mail system.

There are more service features and more reasons why the competitor was and is successful in the package moving business. But of all the reasons I have mentioned for this success, which ones did postal management decide it should offer the public? Only buildings—not pickup, not automatic insurance, not easy proof of delivery, not delivery of

every package to every address—\$1 billion worth of only buildings. Today, the competitor serves every address in the 48 contiguous States, and on the Island of Hawaii. It plans to expand its service in the future to the neighbor islands of Hawaii and to portions of Alaska.

Having grown as it has, you would think that it would long ago have skimmed off all the cream and stopped but now it appears to be into the skim milk. A postal marketing survey introduced in the recent rate case shows that the competitor is now handling more zone-rated packages between families than is the Postal Service. These are the famous "Aunt Minnie" packages about which we have heard so much. But as we have known for a long time "Aunt Minnie" and "Uncle Mo" are not dopes—They sent us here. With gas costing 65 cents per gallon and parking meters gobbling dimes and quarters, getting the competitor to come and pick up the packages at the house for a \$2 service charge is a pretty good deal. Is this cream or skim milk?

The record here contains a letter from the competitor to the Postmaster General asking him to detail the instances of cream skimming which he had knowledge of. His reply is a masterpiece of bureaucratic double talk which boils down to a simple answer. He cannot detail any.

Yet, despite all this, we are supposed to sit here and accept as fact the \$1 billion of the taxpayers' money invested in the bulk mail system was: A necessary investment; a prudent investment; a businesslike investment, and the kind of investment which we should let the present managers of USPS continue to make. I say no.

POSTAL FINANCING: BORROWING IS NO WAY TO
STAY SOLVENT

Mr. President, I would now like to turn to the financial condition of the Postal Service. It is in very poor shape and they just have not been able to balance their costs and their revenues.

Failure of the Postal Service to achieve self-sufficiency either now or in the future carries with it the failure of the idea that an independent Postal Service is a better way of providing service than existed previously. The Service has lost money every year since its creation.

The Postal Service commenced operations with assets in excess of \$3.4 billion. As of December 31, 1975, the Postal Service was in a negative equity position of \$381 million. Their estimated loss for fiscal year 1976 is \$1.5 billion and for fiscal year 1977, the loss is expected to be one billion, 55 million. This means that by the end of fiscal year 1977, the Postal Service will be \$4½ billion in debt, a loss of some \$8 billion since its conception. In the private sector, their excess of liabilities over assets, coupled with revenues that regularly fail to cover expenses, strongly suggest that an entity is bankrupt.

The Postal Service's equity is not quite like that of a corporate entity since about \$1.5 billion of the Service's liabilities are held by the Federal Financing Bank of the U.S. Treasury, another Government entity. In order to absorb its continuing

deficits and to maintain the level of assets necessary to support adequate service to the public, the Postal Service has resorted to borrowing. There is currently outstanding \$1.5 billion of debt incurred to meet operating expenses. This debt is in the form of promissory notes which are held by the Federal Financing Bank.

I do not feel that it was ever the intention of Congress to permit the Postal Service to borrow funds from the Treasury as a means of keeping them solvent. During the debate on postal reorganization, it was felt that the Service needed the authority to borrow funds for the purposes of capital improvements. The law authorized the Postal Service to borrow in an amount not to exceed \$10 billion outstanding at any one time. Language of the administration's recommendation permitted the use of borrowed funds for any purpose whatsoever, subject to an annual limitation upon the net increase in debt of \$1.5 billion for capital improvements and a \$5 billion annual limit for operating expenses.

In the Senate report on postal reorganization dated June 3, 1970, the committee approved the administration's recommendation by stating:

... that we caution the Board of Governors that if borrowed money is used to meet current operating expenses, lenders will charge a very high premium. Thus, the use of borrowed revenue for operating expenses should be restricted to the most unusual circumstances. The basic purpose in authorizing the sale of bonds by the Postal Service is to avoid the annual battle between the Post Office Department and the Bureau of the Budget, which notoriously results in limitations upon funds available to be appropriated, and the occasional restrictions imposed by the President upon Federal construction spending.

Thus, it seems evident that the intention of granting borrowing authority was for purposes of construction and for the use of defraying operating expenses only in an emergency situation.

Further evidence of the misuse of borrowing authority was brought out in the committee's hearings on February 20, 1976. Mr. William Anderson from the General Accounting Office testified that in the absence of borrowing, the Postal Service would actually be insolvent, by the Service's own projections, and by the calculations of the General Accounting Office. He further stated that they intended to borrow some \$700 million to tide them over, in the absence of a subsidy. In fact, the Postal Service did borrow \$700 million in May of this year; \$500 million was considered new debt and \$200 million was used for refinancing previous debt.

According to GAO, the next crunch, even with this \$700 million, would be about April of 1977. Anderson stated that—

Having borrowed this money, and borrowed additional money in 1977, they would be at a point where they project that they would not have the cash to meet their expenses.

The testimony goes on to say:

Their planned borrowing will come to \$5 billion that they will have outstanding in debt at the end of fiscal year 1977. September 30, 1977, that is, including a net of payback of \$604 million between now and then,

but in any event, they will have \$5 billion of debt that the organization will be saddled with. That is really going to impact on their operation at that point, and you might as well write off self-sufficiency, unless you give them some help.

Under examination, Mr. Anderson explained that the Federal Financing Bank was established and was supposed to go to the market on the issuance of bonds. However, it found that it was much cheaper to get its money from the Treasury. In effect, whatever the Postal Service borrows is coming right out of the U.S. Treasury and is just being funneled through the Federal Financing Bank. So, not only do we find that the Postal Service is bankrupt and that they are now requesting additional funds from the Congress, we also find that we have been giving additional back-door financing through the U.S. Treasury under the borrowing authority that was granted during postal reorganization. This point is clearly brought to our attention with the GAO response to the questioning of the chairman of the Post Office and Civil Service Committee. Mr. Anderson stated:

In effect, the money that the Postal Service is borrowing from the Federal Government are Federal expenses. This is really a Federal organization and those monies are being expended to operate it. It is a question of whether you appropriate it annually or whether you are using your borrowing authority from the Treasury.

At this point I would refer for a moment to my legislative proposal and state that it would place a limitation on the borrowing authority of the Postal Service. My amendment would permit the Service to borrow as a means of cash flow only. It could borrow \$500 million in any given year so long as the funds are repaid within that year. Such a provision would be supported by the GAO auditors as is evidenced again by the testimony of Mr. Anderson. He stated before the committee:

I would even say that you would not want them borrowing for operating costs. Over the next 18 months they intend to borrow another \$1 billion for operating costs, and to me they are really mortgaging the future. That is a violation of the basic tenets of good business, as you are well aware, borrowing money to pay your operating costs especially if it is long-term money, and they have already rolled over some of their short-term notes.

The financial disaster of the Postal Service is acknowledged by all. The committee report accompanying H.R. 8603 highlights this fact and even stated, "If it were truly a business, the United States Postal Service would be bankrupt." Also, in Postmaster General Bailar's testimony on March 29, 1976, he stated:

We have the capacity of being effectively rendered insolvent within the course of a year if the Treasury were ever to choose not to loan us any more money from the Federal Financing Bank.

Recognizing this financial doom, the Postal Service has taken a position that in order to remain solvent it would have to cut services to the public. This is evidenced by Mr. Bailar's further statement that—

I would have to point out to you that we have now got something on the order of

a \$3 billion deficit. We expect to lose money again next year. And our ability to render that service would be nil if we were insolvent.

Mr. President, it is very clear to me, and I hope it is clear to my colleagues that this is not a situation that can go unchecked. We simply cannot continue to authorize and appropriate additional funds and to commence yet another study while the Postal Service is falling around us. After 6 years, we should have learned by now that the public's demand for service can no longer be ignored by the Congress. Only the Congress as the peoples' representatives can determine the needs of the Postal Service. Only a constant oversight by Congress can make the Service sound and responsive. My hope was that by now we would be giving out awards for success rather than billions for failure. But the only way to steady these failures, the only way to prevent them in the future, the only way for a constant input by the public is to bring the Postmaster General back in communication with the Congress and the President and for us to resume budgetary authorizations. We simply cannot continue to do as we have been doing—giving out a billion a year—without oversight.

SUMMATION

In the face of current developments, it is time to take a fresh, imaginative look at our postal operations in terms of public policy. We must not overlook the fact that whatever organizational form postal delivery takes, the customer must come first.

It has now been 6 years since postal reorganization. The Postal Service has been wasteful and profligate in its spending and borrowing authority. The Service is costing the American public billions of wasted tax dollars as a result of costly business decisions and mistakes, not to mention the added interest expenses due to repeated borrowing for operational expenditures.

One obvious example of a bad business decision involves the bulk mail facility. A vast number of parcels have been found mangled by the new system and hidden in a trash dump. Other examples of mail damage problems caused by mechanization occurred in facilities where mail was placed in garbage cans and disposed of at the city dump. No wonder the Postal Service is losing business to private competitors. The United Parcel Service, a private organization and the Postal Service's major competitor for bulk delivery business, efficiently handled 930 million packages, approximately 29 million more than the U.S. Postal Service did in 1975. A UPS spokesman asserted that the Government "simply cannot move parcels as fast as he can, or for as low rates." The Postal Service and its predecessor have been in the parcel post business since 1921. There has been ample time to improve service, as well as to capitalize on possible economies of scale in handling parcels.

Not only is the public disturbed over deteriorated service but it is also plagued by the rise in the cost of postage. In the past 5 years, the price of a first-class stamp has gone from 8 cents to 13 cents, primarily to bring in more revenue. As a

result, major mailers have reduced their use of the mails because rates are too high. The mail users might not mind paying a disproportionate share of the costs of handling their mail if it were delivered a little faster without damage and to the right mail boxes. Missent mail is a contributing factor to mail delays. Although millions of tax dollars have been invested in letter-sorting machines, much of the mail sorted by these machines are being sent to wrong locations. According to the General Accounting Office, delays in mail delivery are greater now than they were under the old system. In spite of this, taxpayers, who traditionally have borne the cost of paying the difference between revenues from postage and what it actually costs to deliver the mail, are finding that their postage costs are high and are getting higher.

The increase in second-, third-, and fourth-class postage and the probability of future increases have caused many businesses to consider either delivering their own products directly to the home or utilizing local private delivery services. It has also caused department stores and public utilities in many instances to bypass the mails by personally delivering their bills to customers. Some reported successful examples include: National Postal Service in northern California delivers for J. C. Penney over 400,000 circulars monthly plus other substantial business; and Carrier Boys of America Corporation of New Jersey serves 6 million households in that State, as well as New York, Pennsylvania, Delaware, and California. They deliver circulars for department store and supermarket advertising. Magazine publishers have already predicted a turnover to private delivery of from 60 to 65 percent of their volume in the near future. Also, many companies are moving to the electronic transfer system. In view of this, the general public, which is a particularly high volume user, will also be searching for cheaper and more dependable ways to get their communications delivered.

The Postal Service asserts its service today is good. At the same time the Postal Service Consumer Advocate Office continues to receive hundreds of complaints weekly. The most common complaints concern delayed mail, hours of service, trouble with self-service postal equipment, dissatisfaction with postal personnel, damaged mail, and other mail matters. Moreover, hardly a day passes without an article critical of our Postal Service appearing in one of the Nation's newspapers or magazines. Members of Congress are deluged with complaints from their constituents and are being requested to take a serious look at the quality of mail service.

The provisions of the Postal Reorganization Act of 1970 mandate that the Postal Service provide prompt, reliable, and efficient services to customers in all areas and communities. The act further directs that a maximum degree of effective and regular postal services be provided to rural areas, communities, and small towns where post offices are not self-sustaining. The only thing the Postal Service seems to have accom-

plished beyond argument is the mandate for fair treatment of its employees. There is no doubt that the postal worker has done well in terms of increasing pay and fringe benefits. My only wish is that the Postal Service could have been as successful at increasing services to the people.

My view on the future success of the Postal Service, under the present system, is very dim, indeed. However, it can be improved and it is my hope that this improvement will be legislated as quickly as possible.

Mr. MATHIAS. Mr. President, will the distinguished Senator from South Carolina yield to me for a minute or two, in order to discuss some of the aspects of our postal situation?

Mr. HOLLINGS. I yield.

Mr. MATHIAS. Mr. President, one of the points that should be made in a discussion of the Postal Service is the dedication of individual postal workers to public service. It is extremely disturbing to the public to find that mail takes as long as it does to get from one point to another; but I think it is even more disturbing to members of the Postal Service who have made this their profession, who are dedicating themselves in a very conscious and deliberate way to public service, to find that their efforts do not turn out to produce the results they hope for.

I had a very interesting example of the kind of dedication that the postal workers invest in their jobs. I was advised recently by the Maryland Rural Letter Carriers Association of an extremely interesting resolution they had adopted. It was the proposal of the Maryland letter carriers that they each donate 1 day's pay, that they give up a day of pay, as a contribution to the Postal Service. This was something more than just the dollars and cents involved. This was an act of personal dedication. They wanted to give something to the Postal Service. They wanted to make clear that the Postal Service is something in which they have a deep personal commitment and investment of their lives. So they adopted a resolution. I shall read the resolution. It says:

Resolved, that each regular rural carrier voluntarily give one day's pay to the Postal Service as a token of our concern for the service's financial plight.

Be it further resolved that others such as rural carriers who are concerned be given an opportunity to voluntarily contribute.

This is a magnificent gesture, for these rural letter carriers to say that they will give up a day of pay, renounce it, waive it, as a contribution to the service. Actually, it is a substantial sum of money. It is a way in which people can make a contribution. But more than that, it is a symbol of what they are willing to do. They are willing to make a personal sacrifice.

Mr. HOLLINGS. Will the Senator yield?

Mr. MATHIAS. I am happy to yield.

Mr. HOLLINGS. Were they allowed to come up, or what was the result of that?

Mr. MATHIAS. I regret to say that the Postal Service did not really have the same creativity and imagination as the

rural carriers. They got a very nice, polite letter, but it was a turndown. They were told that their offer has not been considered lightly—

But we feel that we can neither expect nor accept work from our loyal employees without fairly compensating them for their efforts. In overcoming our financial problems, we cannot, in good conscience, engage in a solution which has such a direct effect on the families of our people.

Well, that is a kind of cold answer to a very warm suggestion, in my judgment.

Mr. HOLLINGS. Very much so, since there are a lot of warm bodies running up and down the Hill right now. I just wondered what measure they had taken with respect to allowing carriers to do this, or supporting the suggestion, even with relinquishment of a day's pay, as I understand the Senator's rural carriers were willing to do.

Mr. MATHIAS. That is the only answer they got.

It seems to me, if the Senator will yield to me for just a moment further, that the effect of this very generous offer made by the rural carriers would have been to dramatize the interest of the post office personnel in the problems of the Postal Service, and would have been to make them increasingly conscious of the problems of the Service, of the need to economize, of the need for efficiency. I regret that the Postal Service failed to see the important symbolism of the offer that was made by these rural letter carriers, to give up a day's pay, to donate a day's work to the Postal Service, as a kind of token of their commitment to making the Postal Service work, making it a success, making it pay its own way. I think it was shortsighted. It was a completely voluntary offer on the part of the letter carriers. I think maybe this little incident says something about the way the management of the Postal Service approaches the difficult problem of bringing the Postal Service into the modern age.

Mr. President, I submit for the RECORD the letter from Mr. Perry H. Smith, the president of the Maryland Rural Letter Carriers Association, in its entirety at this point, and ask unanimous consent that it be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE MARYLAND RURAL LETTER
CARRIERS' ASSOCIATION,
Rhodesdale, Md., July 7, 1976.

Hon. CHARLES MCC. MATHIAS,
U.S. Senator, Senate Office Building,
Washington, D.C.

DEAR SENATOR MATHIAS: I am sorry I have been so long in answering your inquiry about our resolution but I wanted to be sure of our course and procedures and to know that we were moving before I replied. Thankfully I think we are making progress.

First of all the resolution is quite simple. It is, Resolved: "That each regular rural carrier voluntarily give one day's pay to the Postal Service as a token of our concern for the Service's financial plight. Be it further resolved that others such as retired rural carriers who are concerned be given an opportunity to voluntarily contribute." This has been sent to the National Rural Letter Carriers Association for consideration by the Resolutions Committee, which is the usual procedure for all resolutions. The committee

clears the resolutions of duplications and acceptability and reports them to the floor of the Convention.

We are going further than this. An article will appear in our State paper in July, which is the Maryland R.F.D., explaining the resolution and asking the support of all our membership. This article will be sent to the president of each State Rural Carrier Association with the information that it will be a resolution at the National Convention and asking their support.

Further, we are also in contact with the District Office of the Postal Service in Columbia in an effort to work out a procedure so each carrier can volunteer to participate. There may be some difficulty here and it is even possible the Service may refuse but we hope not. In our discussions we believe that a release so each of us could forfeit Labor Day's pay might be the easiest way to administer this program.

As to the origin of the resolution I believe Mrs. Dorothy Peck, who has been elected to succeed me, suggested this to some other carriers at the banquet Monday night as an outgrowth of your statements about Joe Holdcraft doing so much for Frederick County by himself. It was talked around informally and we thought it might be a good idea, so we had the resolution committee present it. There was much discussion but no real opposition and then it passed unanimously.

With the amount of progress made to this point we think any use you may make of the fact that the Maryland Rural Letter Carriers want to do this in order to show our concern for the future of the Postal Service can only help. We hope this gesture will show our customers, the management of the Postal Service and all others who can help that we are dedicated to saving what we consider a vital service to America.

If I can be of further service to you please let me know. With kindest personal regards,
Sincerely,

PERRY H. SMITH.

Mr. HOLLINGS. Mr. President, I had hoped that we could get into part of the debate with respect to one of the greater concerns. That is the matter of the obligation of the contract of the employees of the Postal Service. I am very much concerned and the substitute amendment does not impair that obligation.

Since my colleague from Maryland was pointing out how the Postal Service treated the request of the rural letter carriers to give up a day's pay to come on their own in order to be able to answer—that is the whole thing. Everybody wants to be heard, and no one is listening. We keep standing foursquare in the well, saying how we love the employees and how we admire the employees. Some have had the audacity to say their morale is up. I have talked to every one of them and their morale is down, deeply so, even though they are getting greater pay. Rather than having any appreciation from the public for the dilemma they have been put into because of these work practices of management at the Postal Service, they are being rebuffed at every turn. It used to be that the letter carrier would be invited in for a cup of coffee. Now he gets total scorn.

Let us look at the Department of Agriculture, where the distinguished chairman of our Committee on Post Office and Civil Service has the Agriculture Department before the Subcommittee on Appropriations. It is very interesting that the Department of Agriculture, be-

ing one department of the Government, is more or less abandoning another department and not using the Postal Service any longer. I have a letter here from Lincoln, Nebr., wherein the particular produce recipient, Meridith's Produce in Boone, Nebr., said that they see now that the U.S. Department of Agriculture, instead of sending the various cartons that they used to send each year by way of the U.S. Postal Service now sends the packages by the United Parcel Service. They asked them to explain.

I ask unanimous consent, Mr. President, that all of these letters, this entire transcript, be printed in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

MERIDITH'S PRODUCE, INC.,
Boone, Nebr., July 30, 1976.

KENNETH "CHIC" JENNINGS,
President, National League of Postmasters,
Washington, D.C.

DEAR CHIC: Enclosed are some copies of letters for your information.

Copies of my letter, Senator Dworak's letter, and the one from the Nebraska Dept. of Animal Plant Health Inspection Service went to each Senator listed on the News release of June 2nd.

I sincerely trust the United States Postal Service will attempt to retrieve some of their lost business and revenue. This should be their prime concern, rather than reducing services and closing post offices.

A copy of these letters, less the one to the senators, was sent to the Sectional Center Manager in Lincoln.

I am sure the Sectional Center Manager in Lincoln was not aware of the loss of revenue.

Sincerely,

EARL MERIDITH.

MERIDITH'S PRODUCE, INC.,
Boone, Nebr., July 9, 1976.

STATE OF NEBRASKA,
Department of Agriculture, Bureau of Animal
Industry, State Capitol, Lincoln, Nebr.

GENTLEMEN: A few days ago we received from the Agriculture Department of the State of Nebraska, a package of milk sample jars.

For years we have been receiving such packages by United States Postal Service. However, this package was delivered by United Parcel Service.

It is hard for one to understand that a government agency would use a private carrier (United Parcel Service) that is in competition to the United States Postal Service.

An explanation would be appreciated.

Sincerely,

EARL MERIDITH,
Owner.

U.S. DEPARTMENT OF AGRICULTURE,
ANIMAL AND PLANT HEALTH IN-
SPECTION SERVICE,
Lincoln, Nebr., July 22, 1976.

Mr. EARL MERIDITH,
Meridith's Produce, Inc.,
Boone, Nebr.

DEAR MR. MERIDITH: Thank you for your recent letter expressing concern that our latest method of shipping milk sample collection bottles was by other than the U.S. Postal Service.

Under ordinary circumstances we would probably continue to use the services of the government agency for shipping packages. However, problems with the Postal Service combined with a projected increase of \$2 million to \$2.5 million if APHIS continued to use this method of shipping this year was sufficient reason to seek other alternatives

Our Management Improvement Division developed a Cost Analysis of the U.S. Postal Service versus United Parcel Service that indicated Veterinary Services could realize a savings of over \$14,000 a week by using United Parcel Service nationwide for the shipping of packages.

The projected savings is being tested for a three month period to be followed by a re-evaluation of the original Cost Analysis. If the original estimates are supported through an actual savings, there is every reason to believe use of UPS will be expanded even further. As a fellow taxpayer, I am certain that you have appreciation for any and all attempts to reduce government operating costs.

We appreciate and share your concern and thank you for writing.

Sincerely,

INA MAY ROUSE,
Program Analyst.

LINCOLN, NEBR.,
July 28, 1976.

Mr. EARL MERIDITH,
Boone, Nebr.

DEAR EARL: Thank you for sending me a copy of your July 9 letter to the Nebraska Department of Agriculture. I've also received their reply. It certainly is good when citizens constantly question actions of governmental agencies. I did feel the reply was specific and that there probably is some justification in the shifting of the service from the United States Postal Service to the United Parcel Service on a trial basis.

Please keep me informed if you are to pursue this further.

Best regards,

Senator DONALD N. DWORAK.

JULY 30, 1976.

Hon. ROBERT J. DOLE,
Dirksen Senate Office Building,
Washington, D.C.

DEAR SENATOR: I sincerely trust that you or one of your top aides would take the time to digest the information in the enclosed letters.

My personal thinking is that Senator McGee's bill alone without amendments to it, cutting postal services and closing post offices will not solve the problems of the United States Postal Service until top management takes a long look toward their competitor.

If the statement made by the Nebraska Animal and Plant Health Inspection Service is correct, and I presume it is, and if we agree their saving is 10% then the total amount that the United States Postal Service is losing from this one department would be \$1,400,000 annually.

This, bear in mind, is only one department, and could be multiplied many times over, considering the various agencies each state has.

I trust you and your committee will consider some type of action.

Sincerely,

EARL MERIDITH.

Mr. HOLLINGS. The U.S. Department of Agriculture says:

DEAR Mr. MERIDITH: Thank you for your recent letter expressing concern that our latest method of shipping milk sample collection bottles was by other than the U.S. Postal Service.

Under ordinary circumstances we would probably continue to use the services of the government agency for shipping packages. However, problems with the Postal Service combined with a projected increase of \$2 million to \$2.5 million if APHIS continued to use this method of shipping this year was sufficient reason to seek other alternatives. Our management improvement Division developed a Cost Analysis of the U.S. Postal

Service versus United Parcel Service that indicated Veterinary Services could realize a savings of over \$14,000 a week by using United Parcel Service nationwide for the shipping of packages.

The rest of the letter is self-explanatory.

Mr. President, this is the Department of Agriculture of the Senator from Wyoming and the way they cast their vote on the Postal Service. Our distinguished friend has two hats. He chairs our Committee on Post Office and Civil Service and the Agricultural Appropriations Subcommittee. The Department of Agriculture says that for milk sample collection bottles, we are going to quit using the U.S. Postal Service and use the United Parcel Service because of the great savings in money. This is a Government agency. We are going to have a bill in here, not only substitute for the billions of dollars, the \$8 billion in the hole for the last 5- to 6-years operation, but now we are going to have to pass a law requiring all the other Government agencies to keep this thing afloat and continue to use it. This practice is going to become more and more widespread.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

TIME LIMITATION AGREEMENT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be a time limitation on the amendment by Mr. HOLLINGS, the amendment in the nature of a substitute, of 4 hours to begin running tomorrow morning at 10 o'clock, with time to be equally divided between Mr. McGEE and Mr. HOLLINGS; provided further, that no amendments to the substitute be in order; and, provided further, that the vote occur at no later than 2 p.m. tomorrow, and that the vote occur on the amendment up or down with no tabling motion being in order.

The PRESIDING OFFICER. Is there objection?

Mr. HELMS. Reserving the right to object, where does my protection come in?

The PRESIDING OFFICER. Is there objection?

Mr. ROBERT C. BYRD. Yes. Provided further—and I apologize to and thank the Senator from North Carolina (Mr. HELMS)—provided further, that regardless of the outcome of the vote on the substitute by Mr. HOLLINGS, Mr. HELMS be recognized following that vote to call up two amendments, and that there be a time limitation on each of the two amendments of 30 minutes to be equally divided between Mr. HELMS and Mr. McGEE.

The PRESIDING OFFICER. Thirty minutes on each amendment?

Mr. ROBERT C. BYRD. Thirty minutes on each amendment.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, if the Senator will indulge me for just 1 additional minute. Mr. President, I have asked the Senator from South Carolina about this request, but I had forgotten that Senator DOLE, who has to fulfill an engagement tomorrow afternoon, wants to offer two amendments immediately upon the conclusion of the vote on the substitute by Mr. HOLLINGS, and Mr. DOLE would be willing to have a 20-minute limitation on each of his two amendments, the time to be equally divided.

So if the Senator from South Carolina would not object, Mr. President, I ask unanimous consent that regardless of the outcome on the votes of the substitute by Mr. HOLLINGS, Mr. DOLE first be recognized to call up two amendments on each of which there be a time limitation of 20 minutes to be equally divided between Mr. DOLE and Mr. McGEE; and that upon the disposition of the DOLE amendments the Senate then proceed to take up the two amendments by Mr. HELMS, as was previously ordered.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HOLLINGS. Mr. President, I will have, perhaps, with the failure of my substitute, a couple of perfecting amendments also. I did not want to mislead the managers of the bill.

Mr. ROBERT C. BYRD. Yes. I thank the Senator for yielding.

The text of the agreement is as follows:

Ordered, That on Tuesday, August 24, 1976 at 10:00 a.m., when the Senate resumes consideration of H.R. 8803 (Order No. 915), an act to amend title 39, United States Code, with respect to the organizational and financial matters of the United States Postal Service and the Postal Rate Commission, and for other purposes, the Senate shall proceed to the consideration of the amendment by the Senator from South Carolina (Mr. HOLLINGS), No. 2201, with the time for debate thereon to be limited to 4 hours, to be equally divided and controlled by the Senator from Wyoming (Mr. McGEE) and the Senator from South Carolina (Mr. HOLLINGS), and with the vote thereon to occur no later than 2:00 p.m.: *Provided*, That no amendment to the amendment by the Senator from South Carolina (Mr. HOLLINGS) be in order: *Provided further*, That no motion to table the Hollings amendment shall be in order.

Ordered further, That following the disposition of the Hollings amendment regardless of the outcome, the Senator from Kansas (Mr. DOLE) shall be recognized to call up two amendments which shall be considered in order, on which there shall be 20 minutes each, to be equally divided and controlled by the Senator from Wyoming (Mr. McGEE) and the Senator from Kansas (Mr. DOLE).

Ordered further, That following the disposition of the DOLE amendments, the Senator from North Carolina (Mr. HELMS) shall be recognized to call up two amendments which shall be considered in order, on which there shall be 30 minutes each, to be equally divided and controlled by the Senator from Wyoming (Mr. McGEE) and the Senator from North Carolina (Mr. HELMS).

Mr. HOLLINGS. Mr. President, I ask unanimous consent that the Senator

from Illinois (Mr. STEVENSON), the Senators from South Dakota (Mr. ABOUREZK and Mr. MCGOVERN), the Senator from Nevada (Mr. CANNON), the Senator from Oregon (Mr. HATFIELD), the Senator from Maine (Mr. HATHAWAY), and the Senator from Connecticut (Mr. WEICKER) be included as cosponsors of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HOLLINGS. Various Senators have stated that they would like to vote for our amendment to H.R. 8603 but they are fearful that submitting the postal budget to annual congressional authorization would destroy collective bargaining. Let us look at the intent, at the law, and at the fact.

The intent.—Under section 5 of our substitute, amendment 2143, it clearly states:

Nothing contained herein shall be construed to impair the obligation of employment contracts that the Postal Service has entered into with its employees, and nothing contained herein shall be construed to impair the authority of the Postal Service to collectively bargain employment contracts with its employees as provided in the Postal Reorganization Act.

The law.—Constitutionally, the Congress—even if it wanted to—could not come in now and impair the obligation of the contract between the Postal Service and its employees.

The fact.—In fact, there is one way to impair the obligation of the contract and that is to not give them any money. There is no obligation for the Congress to appropriate moneys but realizing a responsibility that the people expect of us, our substitute amendment appropriates \$1 billion which is contemplated by the budget resolution. Ironically, the very instrument that will prevent the obligation from being impaired is being charged with impairment.

It goes without saying that congressional review of the budget in the future will bring congressional review of all facets of postal service including the employment contract. It is not the intent of the authors to disturb this collective bargaining process and it is our intent to rely on the provision of the Postal Reorganization Act that required comparability for Postal Service employees. However, there are no guarantees on what the present Congress or a future Congress do. Both present and future Congresses could refuse funds and the Postal Service would have to increase its borrowing, adjust its service or ask for an increase in rates. That is the fact today. That is the law today. And the present amendment does not change this one iota. Admittedly, a contract in the future could call for a 7-percent pay increase while Congress was only awarding a 5-percent increase to other Federal employees. But this is what we are presently faced with. Presumably, all Federal employees will be receiving a 5-percent pay increase October 1 but the present postal contract calls for an 8.23-percent increase. Our \$1 billion substitute amendment is to allow amongst other things the payment of this 8.23-percent increase. What a Congress will do in the future can best be told by what a Congress has done.

The cry that annual authorization would give Congress a veto power over negotiated contracts is begging the question. We have that power now and can exercise it simply by not appropriating the funds requested by the Postal Service.

Finally, Senators crying in fear that a postal contract in the future be impaired should be more careful that our contract not be impaired. We have a contract with the people to stop, look and listen. As we stop and look and listen our policy of benign neglect seems outrageous. Most assuredly, we cannot continue giving billions without oversight and to ask us to forego oversight any longer is nothing less than a request that we impair the obligation of our contract with the people.

The morale of the postal workers is down. Their jobs are threatened by poor management and a decline in mail volume. The best job security for them is our amendment to reestablish trust in the Postal Service.

I now yield the floor.

Mr. ROBERT C. BYRD. I thank the Senator.

Mr. MCGEE. Mr. President, the Hollings substitute makes radical revisions in the organization of the Postal Service and its relationship with the Congress. Perhaps the most radical is the provision that all revenues and fees collected by the Postal Service would be deposited in the Treasury and that total Postal Service operating expenses—amounting to some \$15.4 billion—would have to be appropriated by the Congress. This arrangement totally deprives the Postal Service of its fiscal autonomy and makes it the creature of a Congress which history shows can be capricious as regards the Postal Service. This provision alone blunts the thrust of the Postal Reorganization Act and brings back the days when the Postal Service was mismanaged by a committee of 535 Members of Congress.

Such a radical revision of the careful work which went into the Reorganization Act will, if enacted, be vetoed. H.R. 8603 is a compromise measure worked out among the majority and minority leadership of the committee, representatives of the administration and members of the leadership of the House committee. The President has repeatedly made it clear that he intends to veto any legislation making substantive changes in the Reorganization Act prior to receipt of the report of the study commission established by H.R. 8603. Our batting average on overriding vetoes is not good. Accordingly, Senate passage of the Hollings substitute would in reality be a vote for no legislation at all, and killing H.R. 8603 would constitute an avoidance of our responsibility to act in the public interest. The death of H.R. 8603 would be disastrous for the Postal Service, in view of its financial crisis.

The Hollings substitute if enacted could result in a payless payday for the Postal Service next summer. The measure authorizes \$1 billion for Postal Service use in 1977, but it effectively chokes off the authority of the Postal Service to borrow for operating expenses and it imposes a moratorium on rate increases

lasting for about a year—thus depriving the Postal Service of substantial sums it needs to meet its payroll and other expenses. The operating deficit for the transitional quarter and fiscal year 1977 is approximately \$1.5 billion. These figures tell the story. The Hollings substitute, giving too little, taking away too much, could wreck the Postal Service financially and do it soon.

Annual appropriation of postal funds would create a nightmare of uncertainty in postal budgeting and ratemaking. The level of postal income would become an unknown because Congress' intentions would be unpredictable. This uncertainty would result in distorted postal rate-making, because without a firm starting place, postal rate proceedings could set rates too high or too low.

In such an atmosphere of uncertainty, orderly postal budgeting would be impossible. The Postal Service would be unable to enter into good-faith collective bargaining if no one knew how much the Congress would be willing to appropriate. Congress might either provide or disallow funds for pay and benefits negotiated at the bargaining table. It is no wonder that the Federal employee groups fear and oppose the Hollings substitute.

Every cent of postal revenues is needed for the operation of the Postal Service. The Hollings proposal would jeopardize funds for services which everyone agrees are needed. It would do this by requiring the Postal Service to compete annually with every other Federal agency for funds within the total budget. We know from experience with the old Post Office Department that chronic underfunding is the inevitable result of this competition.

The overriding question raised by the Hollings amendment is whether, as a matter of public policy, the Congress should drive up Federal spending by requiring an annual appropriation of the whole postal operating budget—\$15.4 billion in fiscal year 1977. Such an arrangement could increase the total obligation of the Federal Government by as much as \$4.5 billion if the accumulated operating deficit of the Postal Service became an obligation of the Government.

One of the primary purposes of the Postal Reorganization Act was to remove partisan politics from the Post Office Department. As part of this corrective action, the Congress removed the President's authority to appoint top Postal Service executives. The Congress provided that the Postmaster General and his top associates would be appointed by, and would be responsible to, a bipartisan Board of Governors, who were charged with representing the interests of the American people generally.

The Hollings substitute provides for Presidential appointment and Senate confirmation of the Postmaster General and Deputy Postmaster General and abolition of the Board of Governors. This arrangement would tear down barriers carefully erected to prevent partisan manipulation of the Postal Service. The temptations faced by a Postmaster General appointed by and serving at the will of a President would be formidable. He would be tempted to give priority to the political obligations of that President in

his selection of new facility sites, in his appointments to key positions within the Postal Service, possibly even in his stance on issues arising out of collective bargaining.

Protecting the public interest and achieving economy and efficiency in postal operations could become subordinated to a Presidentially appointed Postmaster General's primary goal of furthering administration policy. Again, here is an effort to strip away Postal Service autonomy—and as autonomy is removed the chances of achieving real efficiency are diminished.

The abolition of the Board of Governors removes any assurance that the public interest shall be the primary consideration in the appointment of the Postmaster General and his deputy. Further, without the Board to review its recommended decisions, the Postal Rate Commission would become the final arbiter in the setting of rates. This would leave the Postal Service with no recourse from Postal Rate Commission decisions—even decisions that produced insufficient revenues or provided uneconomic distortions in the classification system. We have come to expect good recommended decisions from the Commission. Nevertheless, the Postal Service needs and ought to have the right to reject such decisions. It would have no such right if the Board of Governors were abolished, as the Hollings substitute proposes to do.

The Hollings provision on borrowing would sharply curtail the authority of the Postal Service to manage its fiscal affairs. It would allow the Postal Service to borrow up to \$500 million for operating expenses in any one fiscal year, but would require that the borrowing be paid back within the same fiscal year. Under current law, the Postal Service may borrow for operating expenses overtime periods most favorable to the Postal Service. Sometimes loans are made for one year; sometimes for longer periods, depending upon the Postal Service's own assessment of its cash flow and ability to repay at the end of varying periods of time. The Hollings borrowing provision is restrictive and arbitrary, placing unreasonable limits on the Postal Service's financial planning.

Mr. President, the overriding reason for defeating the Hollings substitute is that, if it is enacted, it will be vetoed. Thus, nothing will have been done to solve today's real and pressing postal problems. Beyond that, the Hollings amendments would, in my view, place the Postal Service in a position less favorable to the accomplishment of its goals than the one it occupied before the Postal Reorganization Act. The system proposed by the Hollings substitute simply will not work; it would require early corrective legislation. H.R. 8603, on the other hand, leads us through the current financial thicket and points the way to informed fine-tuning legislation under the next President.

ADDITIONAL STATEMENTS SUBMITTED

Mr. PERCY. Mr. President, I rise in support of the committee bill, H.R. 8603, with mixed feelings. Immediate passage of this bill is necessary to the stabil-

ity of the Postal Service, but I regret that such a measure is necessary at all.

I voted for the Postal Reorganization Act of 1970 in the hope that it would correct the problems of the postal system and improve its efficiency. Based on my own experience of 25 years in private industry, I was encouraged by the act's establishment of a management structure patterned on the corporate form, with a Board of Governors determining policy and the Postmaster General as chief management official, together responsible for operating the Postal Service in a business-like fashion. The USPS was to pay its own way, with the exception of a small subsidy to be appropriated annually by the Congress to pay for the so-called "public service" function of the Service.

Mr. President, by no stretch of the imagination is the additional \$1 billion we are considering here today a "small" subsidy. By no stretch of the imagination is the Postal Service close to paying its own way, nor is the American public close to being satisfied with the quality of its performance—my own mail from Illinois indicates that public patience is wearing thin. Six years after the establishment of the Postal Service, we are still waiting for our expectations to be realized. By creating an independent postal operation, we have by no means forfeited our right to demand efficient mail service.

There are countless, legitimate complaints about lost or delayed mail and damaged packages. Expensive machinery fails to work while clearly marked letters are sent to the wrong city. The immense volume of mail—89 billion pieces in 1975 alone—makes a large number of mistakes inevitable in many cases.

We cannot, however, lay all the blame at the feet of bad management and leave it at that. As popular as it is in an election year to knock the Postal Service, it is nonetheless unfair to say that the system established in 1970 is no good. Certainly, two of the most significant setbacks to Postal Service financial stability were beyond the ability of even the most enlightened management to rise above:

One. The inflation of the mid-1970's and its two aggravating component factors—the increased price of energy, which has direct impact on the cost of a transportation system intrinsic to mail delivery; and the cost of labor, representing 86 percent of total postal expenses, increased by an automatic cost-of-living escalator tied to the Consumer Price Index, and

Two. The concomitant recession which caused, for the first time since World War II, a decline in mail volume as businesses turned to less costly communications alternatives. For the USPS, volume declined but costs continued to rise.

The legislation before us, as reported by the Post Office Committee, is designed to meet the urgent financial needs created in part by the circumstances I have already mentioned. More importantly, it provides a vehicle in the form of a study commission for immediately determining

the future directions the Service must take to achieve financial stability and improvements in service. It also protects the consumer, at least temporarily, from arbitrary cutbacks in service, including the closing of small, rural post offices, until an overall plan for the economic functioning of the Postal Service can be developed.

Several amendments will be offered during the debate which deal with changes in current procedure in the Postal Service or which implement long-range modifications in the structure of the American postal system. Because I believe that H.R. 8603 should be passed as quickly as possible in order for the study commission to begin its work, I will vote against these amendments without prejudice to their merit, with the expectation that they will be more fully considered as part of a comprehensive package based on the recommendations of the commission next year.

I do plan, however, to support a simple amendment relating to the membership of the study commission, one that would assure that a consumer representative is appointed. It is imperative that the ordinary mail user be represented in order for the study to be complete.

Mr. President, I regret that this bill is necessary, and that the Treasury and the taxpayer shall have to be burdened with an additional \$1 billion subsidy when the consumer has already borne the cost of inflation to the mail service by paying increased first class postage rates and been frustrated by the prospect of less service, not more, in return for the increased payments. But, in spite of the problems of the USPS, the mail must go through. Even though the day-to-day business of moving the mails has been delegated to a quasi-independent corporation, the ultimate responsibility lies with the Federal Government.

The Post Office Committee has come up with a measure as reasonable and workable as possible under the circumstances and I commend the distinguished chairman and members of the committee for their diligent efforts. I understand that it has been carefully worked out among all those who have a commitment to the stability of the Postal Service and I give it my own support in the hope that no such future assistance will be necessary.

I will vote for this measure with the expectation that the study commission will come up with solid answers and recommendations and that the congressional committees involved will give them the highest priority. The Congress and the American people deserve to know as quickly as possible:

Whether or not the basic concept of an independent Postal Service, as we envisioned it in 1970, is still valid;

Whether or not there are alternatives or supplements to the present system capable of providing an expanded variety of services to the consumer without undue cost increases or cutbacks in other areas; and

Whether or not we have become accustomed to postal service we can no longer afford in today's world.

Armed with that knowledge, we can make the right decisions for the future and determine whether we can continue to maintain our mail service as it was portrayed by the great 19th century orator, Edward Everett:

When I contemplate the extent to which the moral sentiments, the intelligence, the affections of so many millions of people—sealed up by a sacred charm within the cover of a letter—daily circulate through a country, I am compelled to regard the Post-office . . . as the right arm of our modern civilization.

Mr. STEVENS. Mr. President, the 91st Congress passed the most significant piece of postal legislation in over 100 years with the Postal Reorganization Act of 1970. It was essential that something be done to stem what Postmaster General Lawrence O'Brien termed the "race with catastrophe" faced by the old U.S. Post Office Department.

To meet that problem, the Congress, on the recommendation of a special postal commission, and after exhaustive hearings, established the independent U.S. Postal Service. The basic objective of the U.S. Postal Service was to provide quality mail service at reasonable and equitable rates to attain financial self-sufficiency by 1984, and at the same time provide fair compensation and fair treatment of postal employees. We all had high hopes that with the application of modern business methods and the elimination of partisan politics in the Postal Service, these goals could be attained. The very fact that we are now debating H.R. 8603, the first major piece of postal legislation since 1970, is evident that these hopes have not been realized. The fact that the U.S. Postal Service is in grave financial straits is not debatable.

There are some who maintain that the financial plight of the U.S. Postal Service is the result of an inherent structural weakness of the U.S. Postal Service, and therefore we should take this opportunity to significantly alter its structure. I do not agree. I want to remind my colleagues that when the U.S. Postal Service was conceived it replaced an organization which included a management system that rendered impotent those in positions of responsibility, it inherited an antiquated physical plan incapable of handling the ever-increasing volume of mail, it experienced a lack of mechanization necessitating vast armies of people to move the mail, and its work force suffered from poor pay, poor working conditions, poor career opportunity, and poor morale.

Turning around an organization which operates 40,000 offices, stations and branches, delivers and processes almost 90 billion pieces of mail yearly to well over 70,000 delivery points, employs 700,000 individuals, uses almost a quarter of a million vehicles on a budget of over \$15 billion is not an easy task. Postal management has had over 5 years to accomplish this feat, but the prior organization had 195 years of existence. Despite the magnitude of the past problems and the size of the organization requiring the turnaround, we were optimistic and expected, indeed provided in

the law, that the U.S. Postal Service would break even financially and thus would no longer be a burden to the taxpayers of this Nation. That forecast does not now look bright, for an unfunny thing happened on the way to financial independence—double digit inflation.

This inflation, caused in great part by the increase in oil prices, ate up postal revenues at an unprecedented rate.

The cost of living increases for postal workers alone have cost the USPS almost \$1 billion in the past 2 years. For each 1 cent increase in the price of a gallon of gasoline, \$3.5 million in direct costs per year is added to the budget of the U.S. Postal Service.

This double digit inflation necessitated increasing postal rates. These rate increases, coupled with a down-turn in business activities, have resulted in a decreasing mail volume for the first time since the 1930's. The increase in cost and the decrease in volume has again necessitated the need for further rate increases. This is a vicious cycle one which the U.S. Postal Service cannot live with nor can the American public accept. And I am confident that the American public will not allow it to continue. The bill we are discussing today, H.R. 8603, will help break that cycle.

It is the financial picture of the U.S. Postal Service that is the prime concern of the members of the Senate Post Office and Civil Service Committee, and it is the main thrust of this bill. In 1972, the Postal Service deficit was \$175 million. In 1975, it was \$989 million for a cumulative deficit of \$1.6 billion. The future financial picture looks even bleaker. A deficit of \$1.5 billion was estimated for fiscal year 1976 and a \$1,055,000 shortfall is expected for fiscal year 1977. In 1971, the U.S. Postal Service had assets of \$3.4 billion. It will have a negative equity of \$2.3 billion by the end of fiscal year 1977. This is an accumulative operating deficit of \$4.5 billion. If the U.S. Postal Service was in fact a private business, it would be bankrupt.

Somehow the U.S. Postal Service must meet this financial crunch. It must put its financial picture in order. It can do it alone in a number of ways, none of which would be pleasant. Some, however, are more unpleasant than others. For example, the Postal Service could increase postal rates to meet its financial needs. The postal rates have already increased 30 percent since August of 1974. When one considers that Sweden and Switzerland have each raised their postal rates 33 percent and the Netherlands 37 percent, France 60 percent, England 89 percent, Japan 150 percent, and Australia 157 percent in the same time period, the 30 percent increase does not seem all that out of line.

But I am not convinced that every American is going to look at an increase in those terms. The Postal Reorganization Act of 1970 stresses that postal rates should be reasonable. Increased postal rates alone will not answer the financial plight of the Postal Service, and I do not believe that the public will accept the prospect of a 34 cents postage stamp for a first class letter, which according to the

General Accounting Office would be necessary by 1984 to solve the current financial crunch and allow the Postal Service to be financially self-sufficient.

A second possible solution to the financial problems of the Postal Service is to cut operating costs, and therefore cut services. There have been suggestions that Saturday mail delivery be eliminated, that in fact mail could be delivered 3 days per week in the larger populated areas and 2 days per week in the rural areas. It has been suggested that 12,000 post offices, stations, and branch offices be closed or consolidated. It has also been suggested that the door-to-door delivery service now enjoyed by many Americans be eliminated and be replaced by curb-side or corner cluster boxes.

Even with these drastic service cutbacks, it is questionable whether or not the Postal Service would save enough to wipe out this year's deficit. There is no doubt, however, that these cost-cutting measures would be unacceptable to the American public, and they are certainly unacceptable to me. There is no question that such cutbacks would be contrary to the intent of the Postal Reorganization Act of 1970.

A third choice available without H.R. 8603 would be a combination of one and two, raising rates and effecting cost-cutting measures. Yet I am not even sure moderate rate increases coupled with moderate service cuts would be acceptable to the American public. The prospect of raising postal rates to any significant degree is a chilling one. Recent experience has shown that further rate increases could affect mail volume, and postal rate increases have already affected mail volume. Even though there is no consensus regarding the elasticity or inelasticity of demand for postal services, mail volume did fall in fiscal year 1975 for the first time in modern history. In his 1975 report, the Postmaster General stated that: "This development demands attention—we are aware that postage rates may be reaching a point where price is causing mail users to increase their use of competitive means of distribution or electronic communications."

The whole question of electronic communications and technological advancement is of particular concern to me and is critical to Members of Congress who represent rural constituents. If rural America is dependent upon the Postal Service and the metropolitan areas become dependent upon computer and telecommunications services, rural America unless protected by a viable and financially sound Postal Service could lose out on its ability to communicate. The urban areas will be in a position where they will more and more refuse to accept the postage stamp/postage rate concept resulting in a total deterioration of existing communications systems via the postal systems for rural areas.

I intend to pursue this matter with the Office of Technology Assessment and the U.S. Postal Service to find out just what impact modern technological communications may have on the future of

the Postal Service and the ability of rural America to communicate on an equal basis with those in the urban centers.

H.R. 8603 is a partial but essential answer to our current dilemma. This legislation addresses itself directly to the three major problems faced by the Postal Service: forestalling reduction of service, slowing down higher postal rates, and allowing the USPS to continue operating and, in addition, providing essential information whereby we can come to grips with a permanent solution.

The bill authorizes two consecutive appropriations in the amount of \$500 million each to be applied against the cumulative operating indebtedness of the Postal Service. The first appropriation would be applied to the debt as it exists at the close of this fiscal year, and the second to be applied against the debt of fiscal year 1977. This bill prohibits service cuts during a period beginning with the appropriation of funds and ending on February 15 of next year. It will allow no postal rate increases during this same period although it would allow the Postal Service to propose postal rate increases to the Postal Rate Commission.

In addition, the bill does look to the future with the hope of obtaining the essential information we need so that Congress can assist the USPS find a permanent solution to its problems.

The bill establishes a 12-member Commission on Postal Service to identify and study the problems facing the Postal Service and recommend action which it feels is necessary to resolve them. This report will be due on or before February 15, 1977.

The importance of this "blue-ribbon commission" cannot be overstated. Among the areas which it will look into is the whole question of public service, its cost, and who should pay for it. We are aware that the U.S. Postal Service and its local post offices perform many functions which in reality have nothing to do with delivering the mail. No other Federal agency touches the lives of every American every day like the U.S. Postal Service does. For millions of Americans, the U.S. Postal Service is the only Federal agency with which they come in contact. The USPS to them is a governmental symbol and an important part of the Federal Government. In rural America there are hundreds and thousands, indeed GAO maintains there are 12,000, of post offices which in fact do not need to exist in order for the U.S. Postal Service to carry out its function of delivering the mail. On the other hand, they are needed for economic, social, and cultural benefits of rural America. An 11-year-old, not from my State, wrote me regarding his post office in rural mid-America, "I am in the seventh grade and I am writing this letter for my grandpa. Grandpa is 95 years old and every day he walks to the post office. The postmaster there helps him with his bills, makes out his money orders, and fixes his money so he would not get it mixed up. Our post office is very important. Please do not let them take it out. No one here wants to go on a rural route.

Everyone wants the post office left alone."

Post offices provide a public service which I do not feel should be eliminated. These examples point up the need to maintain post offices even when mail can be delivered through another method. It is just these kinds of questions which we expect the Commission to address and report to us just what kinds of service costs should be borne by the postal users. I expect the blue-ribbon commission to tell us next year, and from there we can establish a more reasonable contribution to the U.S. Postal Service from the General Treasury.

The bill before the Senate today is the result of exhaustive hearings, numerous executive sessions, and considerable input by Members of Congress, labor organizations, postal users, businesses, the Postal Service itself, and even five prior Postmaster Generals. Indeed, the final bill itself was committee print No. 8. In addition, I am aware of considerable personal negotiations by Senators GALE McGEE and HIRAM FONG with the Postmaster General, the Director of the Office of Management and Budget, the President, and the leadership in the House Post Office and Civil Service Committee. These negotiations as well as all the other input have resulted in S. 2844 retitled H.R. 8603.

I am in full support of Senator McGEE's and Senator FONG's position and the position of the Senate Post Office and Civil Service Committee on this legislation. It is essential, it is imperative, that this bill be passed as it is written. We must assist the Postal Service to meet the financial crunch that it now faces. If we do not, I see no alternative left for the Postal Service but to make drastic cuts in service, as well as increased postal rates which would cause undue hardship and inconvenience to the entire country.

I know that many of my colleagues have amendments which they wish to introduce and have accepted as part of this bill. Indeed the original bill considered by the Senate Post Office and Civil Service Committee contained amendments I supported. However, we cleaned the bill in an effort to insure the passage and signing into law of a financial relief measure. I have some amendments I would like to introduce, but will not because it makes little sense to amend the current legislation if such amendments alter it significantly enough to prevent its enactment into law. I am convinced that a more appropriate process by which my good friends on both sides of the aisle may have enacted their particular concerns is for them to be considered on their own merits in separate bills and not cause the downfall of this essential piece of legislation. I hope my colleagues will refrain from introducing or supporting amendments to this legislation.

The Commission established in this bill must report on February 15 of next year. We will again have the opportunity to debate the postal question only from a more enlightened view for we will have the benefit of the Commission's findings and opinions. I strongly urge an affirma-

tive vote on H.R. 8603 as it has been reported by the Senate Post Office and Civil Service Committee.

Mr. BEALL. Mr. President, today the Senate, at long last, is scheduled to consider legislation aimed at reforming our National Postal System. This legislation comes none too soon, because no portion of government generates greater frustration and anger by the average citizen than the Post Office.

Put simply, the American people are losing faith in the National Postal System. They are tired of getting less and less service, yet paying more and more for that declining service.

Further, they know that unless drastic action is taken soon, service will only get worse and costs will only go higher.

The Postal Service today is caught in a vicious circle of higher rates and declining volumes. Since May, 1971, when the 8-cent rate became effective, first-class postage has increased 63 percent, while over the same period the consumer price index has increased at only about half that rate, or 35 percent. This rapid rise in postal rates led last year to a net decline in mail usage of 800 million pieces, and this decline in mail usage of 800 million pieces, and this decline promises to continue in 1976.

This decline in usage means only one thing—higher rates. And those higher rates will themselves lead to even further declines in mail usage.

Faced with these skyrocketing losses, which have reached a level of \$250,000 an hour, the present postal leadership responded with steps which would only cause unnecessary hardship for some postal users, but would do nothing whatsoever to solve the real problems of the postal system.

The keystone of their great strategy to rescue this inefficient giant, which is now \$3 billion in the red, was to attempt to close 600 small, rural post offices. That move, if fully implemented, would save a grand total of \$6 million, or enough to keep the Postal Service in operation for all of 9 more minutes a year.

This action would not only have deprived many people of efficient postal service, but would have literally wiped many communities off the map entirely.

Last May, I introduced legislation in the Senate which prohibits the Postal Service from making any service cuts, such as the closing of rural post offices, until a special commission has made a full study of the entire Postal Service operations.

I am pleased that the bill which the Senate will consider today contains essentially that very same prohibition as was included in the Beall proposal. Under the bill we have before us today, the Postal Service is forbidden to close any post office where 35 or more families regularly receive mail and which was providing service on July 1, 1976. Additionally, the bill provides that before the Postal Service can close any office serving fewer than 35 families, it must obtain the written concurrence of at least 60 percent of all patrons.

Today's legislation is not the final answers to the problems of the Postal Service. But it does represent a first step in our efforts to reform and improve the Nation's mail system. And, in my opinion, it is about time we took that step.

Mr. McGEE. Mr. President, "Congress and the public want fast regular mail deliveries to crowded cities, small towns, and isolated farms. They also want cheap stamps, efficient operations, and no deficits," according to Robert A. Rosenblatt of the Los Angeles Times.

Mr. Rosenblatt, whose excellent article on the background of the bill H.R. 8603 appeared in the July 14, 1976 edition of the Times, was right. He also was correct when he observed that "the goals conflict."

Indeed they do.

Across the country, and 3 months earlier, the Washington Post observed in a March 17 editorial that the postal services Americans rely on most heavily "are often those that make least sense in cost accounting terms: service to individuals, to small communities, to small businesses, and little publications."

The Post went on to say that some hard decisions about services and subsidies need to be made, while the L.A. Times, in an April 16 editorial favored granting—temporarily—a greater subsidy to the Postal Service until the investment and the changes involved in postal reorganization can be made to pay off.

In Philadelphia, on June 13, the Inquirer welcomed the news that the President and involved Members of Congress had agreed on the creation of a so-called blue ribbon Commission on the Postal Service. The Inquirer's editorialist wrote:

Anytime the government creates another Commission to study a problem, there is a temptation to write its work off in advance as just an expedient way to get the irritant out of sight for a while. We now resist that temptation, however, to welcome the news that President Ford and key Members of Congress have agreed on the creation of a blue-ribbon Commission on the Postal Service.

The fact is that such a commission is badly needed—not to bury the problem of the mails but to face up to it and help guide the country toward some hard choices.

And hard choices are coming. But, without them, we face a prospect which Don Oakley, writing for the Newspaper Enterprise Association, referred to in a June column. He said:

The U.S. postal system is a lot like the trolley cars our cities used to have. We never appreciated their value until they were gone, and then we wished we had done something to preserve them when we could.

Mr. President, I quote these various editorials, news stories, and columns to show that there is a concern in the country for the preservation of postal services that are adequate to the needs and expectations of the people, and also to show that there are indeed some differences between what we demand and what we are willing to pay for.

Said another editorial, this one from the Eagle and Beacon of Wichita, Kans., April 3, 1976:

A subsidized mail service is nothing new to us. Nor is it particularly shocking to think that the amount of subsidy needed in the future will be larger than it has been to date.

In truth, as Robert Rosenblatt pointed out in his piece in the Los Angeles Times, the Postal Service currently is getting roughly 12 percent of its total budget from appropriations, compared with 24 percent in the last year before reorganization took effect.

H.R. 8603 as amended by the Committee on Post Office and Civil Service and reported to the Senate does not decide the fate of the Postal Service for all time. A number of other bills, including my own, were discarded by the committee as it worked toward a measure acceptable to the legislative and the executive. It addresses the immediate short-term needs of the Postal Service. It addresses the immediate concerns of the people over rates and service cutbacks. And it insures Congress, not only a future opportunity to address the hard choices that admittedly are going to have to be made, but also more information on which to base its judgment.

Mr. President, I ask unanimous consent that the various editorials and articles I have referred to—including Robert Rosenblatt's article from the Los Angeles Times of July 14, an editorial from the Times of April 16, a Washington Post editorial of March 17, one from the Philadelphia Inquirer of June 13, Don Oakley's NEA column from the Rock Island (Ill.) Argus of June 25, and the Wichita Eagle and Beacon editorial of April 3—be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Los Angeles Times, July 14, 1976]

POST OFFICE—PLAY IT AGAIN, UNCLE SAM—
RISING RATES MAY FORCE CONGRESS TO
REINSTATE PRE-1971 SUBSIDY SYSTEM

(By Robert A. Rosenblatt)

WASHINGTON.—The Postal Service is in trouble once again, which means it will probably cost you 16 cents next year to mail a first-class letter.

The crisis could come as early as next spring, when, according to federal auditors, there will not be enough money to meet the service's operating expenses.

But it is not politically conceivable for the mail to stop. Instead, Congress will increase the postal subsidy, and the service will impose "temporary" rate increases.

The service has tried to save money. It saved \$2 million a year by closing 186 small post offices. But according to Sen. Gale W. McGee (D-Wyo.), chairman of the Senate Post Office Committee, that \$2 million would run the Postal Service for just 9 minutes.

"So for the equivalent of nine minutes of operating time," McGee said, "the Postal Service incurred the wrath of 53 members of Congress, provoked a lawsuit and persuaded thousands of mail users that, in yet another public area, the quality of life in the United States is diminishing."

Because Congress and the public are not happy, the Postal Service may pay a stiff price for desperately needed money from Washington—the loss of some management independence.

The House of Representatives, flooded with letters from constituents, already has voted to put the Postal Service back under the regular appropriations system. All revenues would go into the Treasury, with Congress

approving the budget each year. The Senate will consider a similar proposal later this month.

Congressional control was abolished by the Postal Reorganization Act of 1971, which created an independent Postal Service with the goal of providing good mail service while breaking even financially.

Something went wrong. Deficits have grown each year since the reorganization. The speed of delivery for a typical letter is faster than in 1971 but still cannot match the performance of the old Post Office Department in 1969, according to a recent report by the General Accounting Office, a congressional watchdog agency.

"I think it would be fair to say that there is no more popular a whipping boy in our country today than the Postal Service," McGee told a recent meeting of his committee. "Whenever somebody runs out of things to be mad about, there is sort of a national pastime of blaming it on the Postal Service."

In two weeks, the Senate will debate a McGee-sponsored bill that would provide an extra subsidy of \$1 billion over the next two years and bar service cutbacks or rate increases before Feb. 15.

Others in the Senate, led by Ernest F. Hollings (D-S.C.), will try to amend the McGee bill to bring the Postal Service back under direct congressional financial control.

But it is doubtful that Congress will take back full control of postal finances soon, despite the heated rhetoric. For one thing, the legislators now enjoy the luxury of criticizing the Postal Service without assuming responsibility for its operations.

Furthermore, any bill to put the Postal Service back into the federal budget almost certainly would be vetoed by President Ford, who is seeking to keep as low a ceiling as possible on federal spending.

The Postal Service gets approximately \$1.6 billion a year from Congress, roughly 12% of its budget of \$13 billion to \$14 billion. In the last year before postal reorganization, Congress furnished \$2.2 billion, then about 24% of the cost of running the post office.

Postal rates are established under a two-step procedure. The Postal Rate Commission approves "permanent" rates. Then the Postal Service itself can impose temporary rates, up to 33% higher. The commission recently recommended making the 13-cent charge permanent, clearing the way for a temporary increase to a maximum of 17 cents.

The Postal Service will probably seek a higher rate early next year, according to a high-level source.

"We won't go for more than 16 cents."

Returning to a full appropriations method, with Congress voting on the entire budget, would "sweep under the rug the fundamental nature of the problem," according to J. T. Ellington, Jr., senior assistant postmaster general.

"You would move away from economic justification of services which we are trying to do now, to a political justification," he said adding that the result would be enormous subsidies voted by a Congress anxious to avoid offending constituents with higher rates or reduced services.

The choice might be a 36-cent first-class stamp in 1985 or an annual subsidy of \$8.5 billion, according to the GAO study.

"Of course, Congress would rather vote a huge subsidy than listen to the screams from back home if a stamp cost 36 cents," a congressional staff aide admitted.

In the view of many analysts, whether the Postal Service remains independent or returns to congressional control will not alter a basic contradiction: Businesslike efficiency and universal service do not mix.

Congress and the public want fast regular mail deliveries to crowded cities, small towns and isolated farms. They also want cheap stamps, efficient operations and no deficits.

The goals conflict. The Postal Service could

save \$350 million a year by eliminating Saturday deliveries, but the suggestion is anathema to Congress.

Another \$100 million could be saved by closing 12,000 country post offices, but that is unthinkable to congressmen from rural districts.

Faced with protests, Postmaster Gen. Benjamin F. Ballar recently suspended the service's modest program of closing 250 to 300 such offices each year, at least until Congress completes its work on financial aid legislation.

Some small offices seem eminently closable. In Alabama, for example, one such office serves 26 families. It brings in only \$4,500 a year in revenue compared with \$17,000 in costs. Moreover, there is another office just 0.7 of a mile down the road.

But to many congressmen, the savings generated by such efforts are simply not worth the cost in outrage among constituents.

Despite the complaints, the Postal Service appears to perform reasonably well when compared with those of other countries.

A GAO survey of 10 foreign countries—Australia, Belgium, Canada, France, Japan, the Netherlands, Sweden, Switzerland, Great Britain and West Germany—disclosed an average charge of 19 cents to mail a first-class letter. Of the 10, only Canada, with an 8-cent rate, had a lower charge than the 13-cent rate in this country.

The U.S. Postal Service covers a much bigger geographical area and moves 5 to 56 times as much mail as its counterparts in other industrial nations. The American postal worker is much more productive, handling more pieces of mail per year than an employee in any of the 10 other countries.

Sheer size generates many of the complaints about poor postal service in the United States. More than 89 billion pieces of mail are processed every year, including 50 billion first-class letters. The error rate on first-class mail is only 2% or 3%, but that translates into more than a billion letters mishandled and sent to the wrong place.

A first-class letter is now delivered in an average of 1.65 days, compared with two days in 1971 when the Postal Service came into existence, and 1.5 days in 1969 under the old Post Office Department.

More letters are processed by machines, which have a higher error rate than the old method of hand-sorting.

"The great preponderance of mail still goes through the next day, but you run into more extreme errors because of machine processing," Ellington said.

Letter-sorting machines and other equipment installed since reorganization have provided substantial benefits in efficiency, allowing the Postal Service to handle more mail with fewer people. The service has 676,000 employees; it would need another 50,000 to process current mail volume using the old methods.

Postal workers are much more productive than they were as employees of the Post Office Department. In the five years before reorganization, mail volume rose 18% annually, but the work force of clerks and mail handlers climbed even faster—at 22%. Since reorganization, mail volume has risen another 5%, while manpower has dropped 8%.

The Postal Service is a labor intensive business—86% of its budget goes for labor—and has been especially hard hit by inflation. In one two-year period, for example, labor costs rose \$987 million because of cost-of-living escalator provisions in union contracts.

Postal workers' wages have risen much more sharply than the salaries of other civil service workers, prompting critics to accuse the Postal Service of acting weakly in bargaining sessions.

Salaries and benefits have jumped \$3.5 billion, or 47% since 1971, far outweighing the savings from mechanization and improved productivity.

Whenever gasoline goes up a cent per gallon, the Postal Service pays another \$3.5 million a year to operate its fleet of vehicles.

Accelerated inflation has been only one surprise for Postal Service management in the last few years. Another was the realization that mail volume was no longer growing. For the first time since the Depression, volume actually declined in 1975.

Businesses, which account for 80% of volume, began balking at higher rates and are seeking other ways to move their messages and products. And higher rates are sure to drive away still more customers.

Business mail provides 80% of Postal Service revenues. Congressional attention, however, focuses on the personal letters of constituents, which make up only 3% of all first-class mail.

Critics of the Postal Service often denounce third-class mail, the so-called junk mail flooding into homes and offices, as a service that rides on the backs of other postal customers. Not so, according to Ballar.

"Third-class mail has a rate which is fully compensatory for its costs," he said. "It is cheaper than first-class mail—there is no question about it—in terms of the rate. But at the same time, we don't have to print stamps, we don't have to sell stamps, we don't have to go pick up the mail, we don't have to sort it by ZIP code."

Because mail volume has stopped growing, one major Postal Service investment looks as if it might turn into a white elephant.

A full \$1 billion was spent to build 21 bulk mail centers aimed at winning business back from United Parcel Service. Originally, the Postal Service estimated it would save \$300 million a year by concentrating parcel processing in these centers. The latest savings estimate is just \$138 million a year because parcel volume won't reach previous expectations.

Americans must decide, postal officials argue what levels of desirable but uneconomic mail services they must have and how these will be financed.

[From the Los Angeles Times, Apr. 16, 1976]

THE MAILS: NO CHOICE

In an atmosphere of rampant dissatisfaction over mail service and over the rising cost of sending an ordinary letter, it is staggering to hear Postmaster General Benjamin F. Ballar asking Congress to double its mail subsidy, which already runs to \$1.5 billion a year.

Yet the nation has no choice. The subsidy should be granted—temporarily. Otherwise the Postal Service will have to cut services further and raise rates again. That would drive away more business, increase the deficit and start another cycle of service cutbacks and rate increases. America has been through that too many times already.

Unquestionably, the people who run the mails have made some large and costly mistakes. But these are not the only reasons for the system's terrible problems today.

Inflation is affecting virtually everything, not just the mails. In fact, in no other major country except Canada is the cost of sending a first-class letter so low in relation to prevailing wages.

Further, some of the miscalculations behind the current mail problems cannot be blamed on the Postal Service alone. When Congress established the new semiautonomous system five years ago, everyone who took part in the decision assumed that mail volume would continue rising. And it was commonly believed that economy measures could take hold quickly because of the Post Office's high rate of employee turnover. But mail volume has begun declining, and fewer postal employees are quitting. So, what was done to save money has cost money. But the

investments and changes probably will pay off eventually.

There are other problems. New equipment has been put into regular use too quickly, resulting in misdirected letters and damaged packages. Unions have been recalcitrant, fighting reasonable efforts to spread workloads more evenly and to make underworked employees bear a fairer share of the load. Rate increases have been delayed unconscionably by the Postal Rate Commission's indecision.

Some of these problems can be solved eventually if adequate financial help is forthcoming from Congress, and if the appropriate committees exercise tough discipline over the Postal Service. Rigorous congressional oversight must not mean ending the limited autonomy under which the Postal Service now operates. That would compound the problem by putting complicated decisions on thousands of rates—and thousands of executive appointments—back into the political process.

American mail service, according to some measures of error rates and delivery times, has begun to improve. One day the mails should be able to come nearer breaking even, but that day—at the very best—is several years off. Congress can help by insisting on better performance by both management and labor as the price for temporarily paying the deficit.

[From the Washington Post, March 17, 1976]

PAYING FOR THE MAIL

It may seem heretical for a Postmaster General to suggest that postal service as Americans know and love it "could become obsolete." But Postmaster General Benjamin F. Ballar said exactly that last week in a gloomy speech in Detroit. His message was not just that the era of six-days-a-week, door-to-door mail delivery is ending; he warned that the Postal Service may never be economically sound even if drastic cutbacks in service are made.

Problems at the post offices are nothing new. In fact, it was the government's inability to manage the mails that led Congress to put the system on a "business-like" basis in 1970 and direct the new agency to improve service, cut losses, increase workers' salaries and modernize facilities. But from the start those goals have been impossible to reconcile. Some major management mistakes and generous labor settlements have run up costs; soaring inflation and energy prices, unanticipated in 1970, have had a devastating effect. According to the General Accounting Office, cost-of-living increases in postal workers' pay have totaled \$987 million in the past two years, while every one-cent increase in the price of gas has cost the Service \$3.5 million per year.

Contrary to popular belief, the quality of postal service has improved since the dismal days of 1971. Even so, the immense volume of mail makes a large number of complaints inevitable. (GAO has noted that if 95 per cent of first-class mail were delivered on time, 2.6 billion letters per year would still be late.) What really worries Mr. Ballar is that as postal rates have climbed, postal patronage has begun to drop. More people are paying their bills in person; companies are stepping up their use of alternate delivery services and electronic communications systems. Yet declining volumes do not mean decreasing costs; the mailmen may be bearing fewer letters but they must still make their rounds.

Mr. Ballar maintains that more efficient systems and more flexible use of manpower can only reduce the deficits somewhat, and that the only way to save the Service may be to cut services. He has just announced that two-a-day business deliveries in many cities will be stopped. He wants to close some small post offices and substitute other types of service in rural areas; GAO has calculated

that phasing out 12,000 of the 18,000 smallest post offices could bring savings of \$100 million annually. Mr. Ballar is also promoting clustered or curb-side delivery instead of door-to-door service in new housing developments. He has even mentioned revising rates so that pre-sorted, standard-sized first-class mail sent by bulk users would cost less than a hand-addressed birthday card. And so on. But he fears that even if such drastic changes are made, the system may be unable to avoid the spiral of rising costs, declining patronage and gradual decay that has already made other services—local bus systems, passenger trains, the old-style telegraph—bankrupt as businesses.

That points to the problem: the premise is wrong. The nation's postal system should be business-like, but it is not a business. It is a basic public service that Americans rely on heavily. Indeed, the services that matter most are often those that make least sense in cost-accounting terms: service to individuals, to small communities, to small businesses and little publications. This does not mean that, for instance, every rural post office must be kept open forever if equivalent or better actual service can be provided another way. It does mean that postal communications have to be maintained; the mails simply must go through.

However, in order to preserve the kind of postal system Americans expect, the public has to be willing to pay—in part as users and in part as taxpayers. This is where the real problem arises because the numbers are immense. According to GAO, if current services are maintained and the federal payment to the Postal Service stays at its present \$920 million per year, the price of a first-class stamp will rise to 23 cents by 1981. On the other hand, if stamps remain at 13 cents, the cost to the treasury could rise to \$8.5 billion annually within 5 years. The most acceptable arrangement probably involves some rate increases, some streamlined services and more public support—but detailed formulas are not going to be easy to devise.

All in all, this is the kind of problem that Congress is least happy with: one that affects every voter and interest group, and costs far more than anybody likes to pay. So far, most legislators have ducked. Last year the House authorized greater subsidies, but also voted to return the system's management to Congress—a move that is not likely to solve anything. More recently, about 50 representatives went to court to save some rural post offices, at least temporarily. We hope that they will follow through by addressing the problem of who pays. That is, after all, what Mr. Ballar is basically getting at, although in a somewhat back-handed way. The postal system cannot just muddle along much longer; some hard decisions about services and subsidies need to be made.

[From the Philadelphia Inquirer,
June 13, 1976]

WHITHER THE POSTAL SERVICE?

Anytime the government creates another commission to study a problem, there is a temptation to write its work off in advance as just an expedient way to get the irritant out of sight for a while. We now resist that temptation, however, to welcome the news that President Ford and key members of Congress have agreed on the creation of a blue-ribbon Commission on the Postal Service.

The fact is that such a commission is badly needed—not to bury the problem of the mails but to face up to it and help guide the country toward some hard choices.

It has been only five years since quasi-independent Postal Service replaced the politically-dominated Post Office Department. In that short time, however, one of the basic assumptions in the reorganization—an ever-increasing volume of mail—has proved erroneous. And while volume has been decreas-

ing, inflation and other factors have pushed costs up steadily.

Even with increased rates and a \$1.5 billion federal subsidy, postal officials are predicting a \$1.4 billion loss in the fiscal year which ends this month and another \$1 billion loss next year.

That's just the short haul. For the long haul, Postmaster General Benjamin Ballar has warned, the Postal Service is "headed for potential disaster" unless something drastic is done.

"I believe we must re-evaluate traditional concepts of mail service to see if they still have value in modern America," Mr. Ballar said recently. "If the public elects to continue the postal system in its present form, it will have to pay a steep price. It may find the first-class stamp becoming a luxury item in the next decade and the Postal Service a ponderous and costly left-over from simpler, more affluent times."

Those are strong words with profound implications. If Mr. Ballar is right—and the evidence supports him—he is also right when he says:

"We must seriously examine the possibility of restructuring both the services provided by the postal system and the schedule of payments for those services. We must, I believe, consider trimming back those services that no longer make sense or label them for what they are and arrange a system of subsidies that covers their cost. And we must identify within each class of mail the actual costs of serving various types of users and charge accordingly."

That is why a commission is needed. Now that the President and the key lawmakers have agreed to its creation, Congress should give its approval.

[From Rock Island, ARGUS, June 25, 1976]

POSTAL CRISIS BAD, BUT OTHERS IN WORSE SHAPE

(By Don Oakley)

WASHINGTON.—When people start reducing serious things to the silly level we know the situation is bad—as when Lyndon Johnson went around turning off lights in the White House, or when the postmaster in one city orders mailmen to take shortcuts across lawns.

Unscrewing all the light bulbs in the United States wouldn't have made a dent in the billions of dollars Johnson poured into the Vietnam sinkhole. Neither would the grave financial crisis the U.S. Postal Service is in be helped in the slightest if every letter carrier walked over every lawn in the country.

The magnitude of that crisis is becoming staggering. The service's deficit may total \$1.4 billion this fiscal year, compared with only \$13 million in 1973, when we thought things were bad enough.

What would help? Failing a massive boost in the government's subsidy, which Congress seems to be in no mood to approve, closing smaller post offices would, says John Gentile, chief financial officer of the U.S. Postal Service. So would ending Saturday delivery, or delivering mail only every other day, or charging everybody on a postal route a monthly fee.

So would increasing postal rates again, although here we are already close to the point of diminishing returns, if not past it.

For whatever comfort it may be to Americans, it is interesting to learn from a recently reported survey that imperfect as it is, the U.S. Postal Service is superior to the systems in many other countries.

It may be cheaper in some countries—in India, for example, it costs as little as two cents to mail a letter—but there as elsewhere low postal rates usually reflect a low state of the economy.

Even in Western Europe and Japan, postal service has been deteriorating and there are

routine deficits, which are met out of profits from telephone and telegraph services, which are also government run.

In many countries it is customary to pay a steep surcharge to insure delivery, and pilferage and the opening of mail by censors are common.

In any event, no country has anything approaching the volume of mail that is handled in the United States, and few have anything like the distances involved.

The U.S. postal system is a lot like the trolley cars our cities used to have. We never appreciated their value until they were gone, and then we wished we had done something to preserve them when we could.

[From Wichita, Kans., Eagle and Beacon,
April 3, 1976]

POSTAL SUBSIDY MUST CONTINUE

It has always cost more in America to deliver a letter than the amount of postage paid by the mailer. But now the General Accounting Office (GAO) is fooling around with a "self-sufficiency concept" for the postal service, and the news is purely bad.

By 1984, which is an ominous year in other respects as well, it will cost 34 cents to mail a first class letter, says GAO, and the postal service will be able to operate without subsidy.

The way things have been going, by 1984 34 cents may look no larger than 13 cents does today. Still, most survivors of less inflated days are likely to think twice before sticking a 34-cent stamp on an envelope.

Some of the effects might be fortunate. People might quit dashing off impulsive notes that they would later regret. There might be a resurgence in the carrier pigeon business.

But on the whole, it would seem that Congress and even the federal bureaucracy would ultimately come to the conclusion that the postal service cannot be expected to pay its own way.

A subsidized mail service is nothing new to us. Nor is it particularly shocking to think that the amount of subsidy needed in the future will be larger than it has been to date.

Every precaution should be taken to insure that the postal system is operated as efficiently as possible. But with that assurance, Congress should have no hesitation in providing the necessary subsidy, as it always has done. Mail service is important to the nation, and the costs of transporting letters cannot be permitted to become prohibitively high to the user.

THE HELSINKI ACCORDS

Mr. THURMOND. Mr. President. recently I read an editorial which discussed progress made as a result of our country and many others signing the Helsinki accords just a year ago.

In my opinion it was a mistake to officially recognize the post World War II borders of the Soviets' East European satellites. What is particularly objectionable to me, however, concerns the Soviet implementation of "Basket Three." This contains human rights provisions of the agreement. These provisions were to promote more personal freedom of persons, institutions, and organizations of the signatories. Specific attention was given toward permitting immigration so that families could again be reunited. One year later it is apparent that the Soviets, as we should have learned long ago, do not intend to keep their word. I urge the President and the Secretary of State to use all diplomatic means at their disposal to cause the Russians to adhere

now to promises made promoting human rights.

Mr. President, I ask unanimous consent that the editorial, "One Year Later, Little Progress From Helsinki," be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From Columbia, S.C., The State, Sunday, August 8, 1976.]

One Year Later, Little Progress From Helsinki

Just over one year ago, on August 1, 1975, the heads of 32 European nations, Canada, the United States and the Soviet Union signed with considerable pomp the Helsinki accord which was widely hailed as an important element in detente between the East and the West.

More properly, the Helsinki meeting was called the Conference on Security and Cooperation in Europe. It had been promoted for years by the Soviets to gain official recognition of the post-World War Two borders of the Soviet's East European satellites.

There were four parts of the agreement, each called a "basket." The first basket recognized the borders and held that they may not be violated by force. Nations along the borders were required to notify one another in advance of military maneuvers.

The first basket was widely criticized as making legitimate the Soviets' seizure and occupation of territories in World War II, and to some it rang like the final slamming of a great steel door in the Iron Curtain. The Soviets have complied with notification requirements of their maneuvers.

Basket two held no real problems in promoting economic, scientific, technological and environmental cooperation. It has held up well during the year with many international conferences and some agreements.

Basket three, however, was the *quid pro quo* insisted upon by Western Europe in exchange for the Soviets' border agreement. Basket three dealt with East-West cooperation in humanitarian, information, cultural and educational fields. Specifically, it called for reunification of families.

As expected, basket three has not held up so well on the Soviet side, and it has become the standard by which Moscow's good faith is being measured. There appears to have been slight change in Moscow's emigration policies, notably for Jews. Nor is there any sign of improvement in the conditions under which political prisoners are held.

Speaking to Western newsmen in Moscow, a spokesman for a humanitarian group of Soviet scientists and writers, declared that "they are using Helsinki against us."

Pointing to the Helsinki pact on reunification of families, Soviet authorities are claiming precedence of Soviet law which says a family is the husband and wife and unmarried children. Hence, a sister in Moscow and a brother in Tel Aviv are not a family—and if the parents are in Russia, the authorities claim they would be in violation of the Helsinki agreement if they let them emigrate.

Such deviousness mocks the spirit of the Helsinki accords, demonstrating again the double standard wittingly utilized by the Kremlin for its own purposes.

But basket number four still remains—it provides for another conference in Belgrade, Yugoslavia, in 1977 to assess the implementation of the Helsinki agreement. Unless the Soviets change their ways in the coming year, they risk standing unmasked in an international stage, condemned by their own deceitful performance.

THE UNION DRIVE TO UNIONIZE OUR ARMED FORCES

Mr. THURMOND. Mr. President, on March 4, 1976, together with 24 Senators, I introduced S. 3079. This bill would prohibit unionization of our military forces. Six more Senators have since joined us as cosponsors. The timing to introduce S. 3079 was chosen after careful thought. Several unions were then planning to seek servicemen to become members of their unions.

It was my hope that S. 3079 would quickly pass in the Senate. Thus, the small number of unions interested would not amount a recruiting drive. Unfortunately, the bill has not been passed.

In the RECORD of July 28, I warned the Senate that the hour was late for consideration of S. 3079. An article appeared recently in the *Army Times*, which lends weight to that warning. It is reported that a recruiting drive is now underway in our Reserve Forces. According to this article, some reservists have already joined a serviceman's union, including 10 officers. Next month, in convention, the American Federation of Government Employees will vote on the question of whether or not to organize our Active Military Forces.

Shall we sit and watch? As I said on an earlier occasion, this is not a bill against unions. It is a bill for a sound and effective defense force to stand between the citizens of this Nation and a sometimes unfriendly world. The Defense Manpower Commission in its recent report to the President and Congress put it well in stressing the urgency of the situation: "The question is no longer moot, the possibility of a military union must be faced squarely and appropriate actions to deal with the possibility must be undertaken now."

The issue is faced squarely with S. 3079 and the time for action is now.

Under our constitutional mandate to raise and support armies and navies, we are also charged to take appropriate and necessary legislative action on matters related to the Armed Forces. We owe the people of this country no less.

Mr. President, I ask unanimous consent that the article from the *Army Times*, July 19, 1976, "Ten Reserve Officers Join Military Union," be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From *Army Times*, July 19, 1976]

TEN RESERVE OFFICERS JOIN MILITARY UNION

(By Lee Ewing)

WASHINGTON.—Ten officers, including at least one major, are among National Guardsmen and reservists who have joined a new union, the Association of Guard and Reserve, union officials say. Some active duty members also have signed up.

The union began a nationwide membership drive July 1 by mailing out information to individual members of guard and reserve units in each state and by some face-to-face recruiting on base during off-duty hours.

"We're quite elated over the response," said the union president, Air National Guard MSgt. William L. Spence, 182d Tactical Air Support Gp, Peoria, Ill.

In a telephone interview with *Army Times*, Spence refused to disclose how many persons have joined AGR, but he said union polls "have been showing about one out of three would be interested" in joining the union.

Based on that ratio, Spence said, his goal is to recruit 100,000 of the approximately 350,000 members of the Reserve Components by next year.

Although only Air National Guard and Army National Guard members signed up in an organizing test conducted in February, Spence said, the current drive has brought in members of the Air Force Reserve and Army Reserve as well.

So far, union organizers have not contacted reserve units of the Navy, Marine Corps or Coast Guard, but Spence said, "We certainly intend to."

Requests for information and membership applications from active and reserve military personnel have been received at a rate of 75-100 each week, Spence claimed.

While AGR was organized to represent uniformed members of the guard and reserve, Spence said active duty member service members also may join.

"We're not actively campaigning for their membership at the present time," he said.

AGR was established by officials of the Association of Civilian Technicians, which represents about 8,000 Guard and Reserve civilian technicians who also must belong to the military unit in which they work. ACT organizers have worked closely with AGR and ACT members have served as a cadre for signing up military reservists for AGR.

An informal clerk of membership applications received so far, Spence said, shows that aside from the 10 officers, the new members are evenly split between junior enlisted and senior NCOs.

A U.S. Supreme Court decision last month that a commander may deny reenlistment to a career guardsman "in the best interest of the service" has stirred concern, Spence says. The ruling poses a threat to retirement for career guardsmen and reservists, Spence said, and thus points up the need for a union.

COMMITTEE MEETINGS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Subcommittee on Federal Spending Practices of the Committee on Government Operations be authorized to meet on August 24 and 26 to conduct oversight hearings concerning overhaul of major systems acquisition policies.

The PRESIDING OFFICER. Without objection, it is so ordered.

SPECIAL ORDERS FOR TUESDAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that after the two leaders are recognized under the standing order tomorrow morning, Mr. JAVITS be recognized for not to exceed 15 minutes, and that the order for the recognition of Mr. Moss tomorrow morning be vitiated; and that following the remarks of Mr. JAVITS there be a brief period for the transaction of routine morning business not to extend beyond the hour of 10 a.m., and that at the hour of

10 a.m. the Senate resume consideration of H.R. 8603, the Postal Service bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECESS UNTIL 9:30 TOMORROW MORNING

Mr. ROBERT C. BYRD. Mr. President, if the Senator would indulge another interruption, I ask consent that when the Senate completes its business today it stand in recess until the hour of 9:30 tomorrow morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

H.R. 11552—TO ESTABLISH A VOTER REGISTRATION ADMINISTRATION

Mr. ALLEN. Mr. President, if the Senator will yield before he makes the announcement of the program for a parliamentary inquiry, I would like to inquire of the Chair as to the disposition, if any, that has been made of the so-called post card registration bill that was held at the desk, I believe, on the last legislative day, with the understanding that it was to be referred to a committee. Has that bill been referred or when is it anticipated that it will be referred?

The PRESIDING OFFICER (Mr. HOLLINGS). The bill is still being held at the desk.

Mr. ALLEN. For the purpose of deciding where the bill is to go?

The PRESIDING OFFICER. Pursuant to a unanimous-consent agreement request the bill is still being held at the desk.

Mr. ALLEN. Yes. It was understood, and it was so stated for the record, that it was being held merely pending decision as to what committee it was to be referred to.

I would imagine that the Parliamentarian by this time has had time to reach a decision on that question.

The PRESIDING OFFICER. As the Chair understands, it is not a decision by the Parliamentarian. It was a unanimous-consent request requiring Senate action as to one or both committees, and we would have to await when the Chair hears the request from the floor of the Senate.

Mr. ALLEN. I thank the Chair for this enlightening information.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate will convene at 9:30 tomorrow morning. After the two leaders or their designees have been recognized under the standing order, Mr. JAVITS will be recognized for not to exceed 15 minutes, after which there will be a period for the transaction of routine morning business not to extend beyond the hour of 10 a.m. with statements limited therein to 3 minutes each.

At the hour of 10 a.m., the Senate will resume consideration of the Postal Service bill. The pending question at that time will be on the adoption of the sub-

stitute offered by Mr. HOLLINGS. There is a time limitation of 4 hours on that substitute with a vote to occur on the adoption of the substitute up or down, with no tabling motion in order and with no intervening amendments in order.

Upon the disposition of the substitute by Mr. HOLLINGS and regardless of the outcome of that vote on the substitute, Mr. DOLE will be recognized to call up two amendments on each of which there is a time limitation of 20 minutes. Upon the disposition of those amendments and regardless of the outcome of the vote on the substitute by Mr. HOLLINGS, Mr. HELMS will then be recognized to call up two amendments on each of which there is a time limitation of 30 minutes.

Rollcall votes will occur throughout the afternoon tomorrow, Mr. President, and it is anticipated that the Senate will remain in session tomorrow evening until the bill is disposed of.

RECESS TO 9:30 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in recess until the hour of 9:30 a.m. tomorrow.

The motion was agreed to; and at 5:16 p.m., the Senate recessed until tomorrow, Tuesday, August 24, 1976, at 9:30 a.m.

NOMINATIONS

Executive nominations received by the Senate August 23, 1976:

DEPARTMENT OF STATE

William G. Bradford, of Illinois, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Chad.

Robert J. McCloskey, of Maryland, a Foreign Service officer of the class of Career Minister, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Kingdom of the Netherlands.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Susan B. Gordon, of New Mexico, to be an Assistant Secretary of Health, Education, and Welfare, vice Lewis M. Helm, resigned.

IN THE ARMY

The following-named officer to be placed on the retired list in grade indicated under the provisions of title 10, United States Code, section 3962:

To be general

Gen. Richard Giles Stilwell, xxx-xx-xxxx, Army of the United States (major general, U.S. Army).

Executive nominations received on August 12, 1976, under authority of the order of the Senate on August 10, 1976:

FOREIGN CLAIMS SETTLEMENT COMMISSION

Wilfred J. Smith, of Virginia, to be a member of the Foreign Claims Settlement Commission of the United States for a term of 3 years from October 22, 1976 (reappointment).

IN THE AIR FORCE

The following-named officers for promotion as a Reserve of the Air Force, under the appropriate provisions of chapters 35 and 837, title 10, United States Code.

LINE OF THE AIR FORCE

Major to lieutenant colonel

Abbe, James G., xxx-xx-xxxx
Abel, Wilfred M., xxx-xx-xxxx
Achin, Albert J., II, xxx-xx-xxxx
Adams, Edwin H., Jr., xxx-xx-xxxx
Adams, Harold G., xxx-xx-xxxx
Aguilera, Manuel, xxx-xx-xxxx
Albi, Joseph R., xxx-xx-xxxx
Alexander, George H., xxx-xx-xxxx
Alexander, Stanley W., xxx-xx-xxxx
Alley, Gerald W., xxx-xx-xxxx
Allison, Lee R., xxx-xx-xxxx
Alton, George E., Jr., xxx-xx-xxxx
Alton, Thomas W., xxx-xx-xxxx
Anderson, Charles F., xxx-xx-xxxx
Anderson, David H., xxx-xx-xxxx
Anderson, John P., xxx-xx-xxxx
Anderson, Marlowe R., xxx-xx-xxxx
Anderson, Richard D., xxx-xx-xxxx
Andre, George M., xxx-xx-xxxx
Andruzzi, Anthony M., xxx-xx-xxxx
Applebee, John F., xxx-xx-xxxx
Arledge, Earnest E., xxx-xx-xxxx
Arnecke, Burleigh F., xxx-xx-xxxx
Ary, Charles D., xxx-xx-xxxx
Austin, Billy F., xxx-xx-xxxx
Axelson, William G., xxx-xx-xxxx
Bachik, Joseph, xxx-xx-xxxx
Bailey, Robert B., xxx-xx-xxxx
Baird, Albert R., xxx-xx-xxxx
Baird, Henry C., Jr., xxx-xx-xxxx
Baker, Marion E., xxx-xx-xxxx
Baldwin, Harold R., xxx-xx-xxxx
Bales, Daly R., xxx-xx-xxxx
Barab, John D. J., xxx-xx-xxxx
Barelka, Alexander J., xxx-xx-xxxx
Barney, John R., Jr., xxx-xx-xxxx
Barnitz, William S., xxx-xx-xxxx
Barringer, D. Dean, xxx-xx-xxxx
Bartlett, Clyde R., xxx-xx-xxxx
Bartsch, George F., xxx-xx-xxxx
Basinger, Donald A., xxx-xx-xxxx
Bastidas, Frank A., xxx-xx-xxxx
Baumler, Dale R., xxx-xx-xxxx
Baxter, Morris B., xxx-xx-xxxx
Bay, Denis E., xxx-xx-xxxx
Baynard, Lester B., xxx-xx-xxxx
Beal, Thomas P., xxx-xx-xxxx
Beard, Richard E., xxx-xx-xxxx
Becker, Frederick W., Jr., xxx-xx-xxxx
Bell, Norman R., xxx-xx-xxxx
Bender, Franklin R., xxx-xx-xxxx
Benjamin, Mordy A., xxx-xx-xxxx
Bennett, Donald F., xxx-xx-xxxx
Bennett, Duane R., xxx-xx-xxxx
Bermel, Blaine L., xxx-xx-xxxx
Berry, Willard M., xxx-xx-xxxx
Berube, Wilfred R., xxx-xx-xxxx
Bessette, Norman L., xxx-xx-xxxx
Billiter, William O., Jr., xxx-xx-xxxx
Bisbano, Ennis J., xxx-xx-xxxx
Blackburn, Donald V., xxx-xx-xxxx
Blais, Frederick G., xxx-xx-xxxx
Blankenship, Verle K., xxx-xx-xxxx
Blohm, Robert A., xxx-xx-xxxx
Blue, John E., xxx-xx-xxxx
Blythe, Arden L., xxx-xx-xxxx
Bogert, Herbert T., xxx-xx-xxxx
Bohuslav, Johnnie J., xxx-xx-xxxx
Boone, Jerry D., xxx-xx-xxxx
Boone, Robert R., xxx-xx-xxxx
Bornejko, Jack W., xxx-xx-xxxx
Bracken, William E., Jr., xxx-xx-xxxx
Bradkin, William E., xxx-xx-xxxx
Bradley, Earl K., Jr., xxx-xx-xxxx
Branch, Peter F., xxx-xx-xxxx
Brasher, Edward C., xxx-xx-xxxx
Braun, Gerard J., xxx-xx-xxxx
Brenna, John L., xxx-xx-xxxx
Briant, Robert C., xxx-xx-xxxx
Bricker, Rodney P. G., xxx-xx-xxxx
Bringardner, Wm. D., xxx-xx-xxxx
Broach, Robert E., xxx-xx-xxxx
Brooker, Laurence M., xxx-xx-xxxx
Brooks, Robert E., xxx-xx-xxxx
Brown, Robert A., xxx-xx-xxxx

Bruschi, Robert, xxx-xx-xxxx
 Bucci, Rinaldo J., xxx-xx-xxxx
 Buehler, Norman C., xxx-xx-xxxx
 Bullard, Eugene E., xxx-xx-xxxx
 Burgee, Richard R., xxx-xx-xxxx
 Burggraf, Fran B., Jr., xxx-xx-xxxx
 Burkett, David Y., III, xxx-xx-xxxx
 Burningham, Dee S., xxx-xx-xxxx
 Buyck, Mark W., Jr., xxx-xx-xxxx
 Cabrinha, Lawrence C., xxx-xx-xxxx
 Cadmus, Harold R., xxx-xx-xxxx
 Caldwell, Dana T., xxx-xx-xxxx
 Campbell, Conrad E., xxx-xx-xxxx
 Campen, Walter R., xxx-xx-xxxx
 Canavan, Leo J., Jr., xxx-xx-xxxx
 Capling, Elwyn R., xxx-xx-xxxx
 Carll, Donald W., xxx-xx-xxxx
 Carlson, Richard A., xxx-xx-xxxx
 Carpenter, William L., xxx-xx-xxxx
 Carsten, Charles B., xxx-xx-xxxx
 Caruth, James, xxx-xx-xxxx
 Casbarian, Harvey T., Jr., xxx-xx-xxxx
 Casey, Robert E., xxx-xx-xxxx
 Cech, Andrew A., xxx-xx-xxxx
 Cerisano, Vincent P., xxx-xx-xxxx
 Cestaro, Joseph M., xxx-xx-xxxx
 Chambliss, Alton M., xxx-xx-xxxx
 Charlebois, Roland J., xxx-xx-xxxx
 Chee, Frederick K. O., xxx-xx-xxxx
 Chism, Charles B., xxx-xx-xxxx
 Chong, Kenneth D. H., xxx-xx-xxxx
 Christine, Charles T., xxx-xx-xxxx
 Clark, Charles G., xxx-xx-xxxx
 Clark, John E., Jr., xxx-xx-xxxx
 Cleland, David H., xxx-xx-xxxx
 Clifford, Jack R., xxx-xx-xxxx
 Closner, John J., III, xxx-xx-xxxx
 Clough, George J. Jr., xxx-xx-xxxx
 Cnossen, Ronald J., xxx-xx-xxxx
 Coffin, Erwin K., xxx-xx-xxxx
 Cognevich, Elmo R., xxx-xx-xxxx
 Coker, John T., Jr., xxx-xx-xxxx
 Colange, Anthony, xxx-xx-xxxx
 Cole, James L., xxx-xx-xxxx
 Coleman, Jack N., xxx-xx-xxxx
 Collis, Constantine G., xxx-xx-xxxx
 Condon, Robert L., xxx-xx-xxxx
 Condon, Robert P., xxx-xx-xxxx
 Conti, Raymond, xxx-xx-xxxx
 Cook, Peter G., xxx-xx-xxxx
 Copland, Joseph P., xxx-xx-xxxx
 Coran, Carl L., xxx-xx-xxxx
 Corona, Alessandro, Jr., xxx-xx-xxxx
 Craig, John A., xxx-xx-xxxx
 Craven, Gary L., xxx-xx-xxxx
 Crossen, Manford W., xxx-xx-xxxx
 Cummings, John O., xxx-xx-xxxx
 Cummings, John P., xxx-xx-xxxx
 Curtis, Frederick P., xxx-xx-xxxx
 Cusack, James L., xxx-xx-xxxx
 Cutler, John W., xxx-xx-xxxx
 Dabal, Edward R., xxx-xx-xxxx
 Dabrowski, Paul J., xxx-xx-xxxx
 Dale, Donald E., Jr., xxx-xx-xxxx
 Dangelo, John J., xxx-xx-xxxx
 Danzer, Ronald E., xxx-xx-xxxx
 Davis, Horace M., xxx-xx-xxxx
 Davis, James E., xxx-xx-xxxx
 Davis, Lowell G., xxx-xx-xxxx
 Dee, Duane L., xxx-xx-xxxx
 Deking, Donald J., xxx-xx-xxxx
 Detra, Thomas A., xxx-xx-xxxx
 Dettl, John P., xxx-xx-xxxx
 Devriendt, Eugene J., xxx-xx-xxxx
 Dewitt, William W., Jr., xxx-xx-xxxx
 Dik, Donald B., xxx-xx-xxxx
 Dilling, Roger O., xxx-xx-xxxx
 Dillmann, Clarence I., Jr., xxx-xx-xxxx
 Dimiero, Alan C., xxx-xx-xxxx
 Dismuke, Donald M., xxx-xx-xxxx
 Dodge, Kenneth W., xxx-xx-xxxx
 Doherty, Francis G., xxx-xx-xxxx
 Dolin, Phyllis A., xxx-xx-xxxx
 Dominguez, Jesse P., xxx-xx-xxxx
 Donaldson, David W., xxx-xx-xxxx
 Doss, William W., xxx-xx-xxxx
 Doucette, Dail D., xxx-xx-xxxx
 Dove, Edgar C., xxx-xx-xxxx
 Doyle, Brendan T., xxx-xx-xxxx
 Doyle, William R., xxx-xx-xxxx
 Dranko, John L., xxx-xx-xxxx
 Drew, Herman E., xxx-xx-xxxx
 Dvarok, Frank J., Jr., xxx-xx-xxxx
 Dye, Albert J., xxx-xx-xxxx
 Dykes, Alfred H., xxx-xx-xxxx
 Eagleson, Rolf D., xxx-xx-xxxx
 Edens, Roland W., xxx-xx-xxxx
 Edmondson, Jerry H., xxx-xx-xxxx
 Edwards, Norman K., xxx-xx-xxxx
 Eichhorn, Gary L., xxx-xx-xxxx
 Eichner, John C., xxx-xx-xxxx
 Elton, Burnham T., xxx-xx-xxxx
 Emerson, Richard A. G., xxx-xx-xxxx
 English, Harry J., xxx-xx-xxxx
 Epstein, Heinz C., xxx-xx-xxxx
 Erb, William A., Jr., xxx-xx-xxxx
 Erwin, William G., xxx-xx-xxxx
 Erwine, Everett D., xxx-xx-xxxx
 Estock, Robert A., xxx-xx-xxxx
 Evens, Marvin A., xxx-xx-xxxx
 Farmer, John S., xxx-xx-xxxx
 Fean, Robert A., xxx-xx-xxxx
 Fehlig, James D., xxx-xx-xxxx
 Ferguson, Arthur E., xxx-xx-xxxx
 Ferguson, Hill A., xxx-xx-xxxx
 Ferguson, Lowell G., xxx-xx-xxxx
 Fier, John J., xxx-xx-xxxx
 Fikes, Charles O., xxx-xx-xxxx
 Fischer, Bradley H., xxx-xx-xxxx
 Fish, Joseph A., xxx-xx-xxxx
 Fisk, Danny F., xxx-xx-xxxx
 Flaherty, Robert M., xxx-xx-xxxx
 Fleischman, Jerome B., xxx-xx-xxxx
 Flom, Owen M., xxx-xx-xxxx
 Flook, Howard O., Jr., xxx-xx-xxxx
 Forbes, Edward H., xxx-xx-xxxx
 Foreman, Charles G., xxx-xx-xxxx
 Fortson, Eugene T., xxx-xx-xxxx
 Foster, Duane L., xxx-xx-xxxx
 Fowler, Marvin E., xxx-xx-xxxx
 Fox, Thomas E., xxx-xx-xxxx
 Fox, Wade T., xxx-xx-xxxx
 Francis, Mervin J., xxx-xx-xxxx
 Frandsen, Alan D., xxx-xx-xxxx
 Franklin, Calvin W., xxx-xx-xxxx
 Franklin, Charles E., xxx-xx-xxxx
 Frederick, William A., Jr., xxx-xx-xxxx
 Frederick, William V., xxx-xx-xxxx
 Freeman, William H., Jr., xxx-xx-xxxx
 Freeze, Ronald L., xxx-xx-xxxx
 French, Norman J. M., xxx-xx-xxxx
 Frese, Eugene M., xxx-xx-xxxx
 Freytag, Richard A., xxx-xx-xxxx
 Frisch, John J., xxx-xx-xxxx
 Frith, Carl E., xxx-xx-xxxx
 Fryar, Donald F., xxx-xx-xxxx
 Fryburger, Virgil P., Jr., xxx-xx-xxxx
 Fuentes, Roland W., xxx-xx-xxxx
 Fuller, Charles E., xxx-xx-xxxx
 Furman, Donald, xxx-xx-xxxx
 Furr, Robert H., xxx-xx-xxxx
 Furukawa, Joseph K., xxx-xx-xxxx
 Galley, Eugene C., xxx-xx-xxxx
 Gambera, Robert J., xxx-xx-xxxx
 Gamble, Richard S., xxx-xx-xxxx
 Gardner, James D., xxx-xx-xxxx
 Garland, Terry D., xxx-xx-xxxx
 Gassiot, Bobby R., xxx-xx-xxxx
 Gassman, Donald E., xxx-xx-xxxx
 Gaston, Leonard G., xxx-xx-xxxx
 Gaubatz, William A., xxx-xx-xxxx
 Geddie, Ivan D., xxx-xx-xxxx
 Genther, Richard D., xxx-xx-xxxx
 George, Charles D., xxx-xx-xxxx
 Gerry, Harold J., xxx-xx-xxxx
 Giblin, Owen J., xxx-xx-xxxx
 Gibson, Jack L., xxx-xx-xxxx
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 Gilbert, Harvey B., Jr., xxx-xx-xxxx
 Glass, Charles S., xxx-xx-xxxx
 Gleason, John T., Jr., xxx-xx-xxxx
 Gordon, Donald L., xxx-xx-xxxx
 Gordon, Richard J., xxx-xx-xxxx
 Gorman, Irwin, xxx-xx-xxxx
 Gorman, James M., xxx-xx-xxxx
 Goss, Bruce R., xxx-xx-xxxx
 Gould, James L., xxx-xx-xxxx
 Grabo, George W., xxx-xx-xxxx
 Grannis, Stuart L., xxx-xx-xxxx
 Grant, Ronald W., xxx-xx-xxxx
 Grant, Theo E., xxx-xx-xxxx
 Green, John V., xxx-xx-xxxx
 Green, Lester L., xxx-xx-xxxx
 Green, Philip A., xxx-xx-xxxx
 Green, William S., xxx-xx-xxxx
 Greene, Abbott O., xxx-xx-xxxx
 Greenhage, Kenneth E., xxx-xx-xxxx
 Greenwood, Leon D., xxx-xx-xxxx
 Griffin, Edward L., xxx-xx-xxxx
 Grinden, John C., xxx-xx-xxxx
 Groesbeck, Monty C., xxx-xx-xxxx
 Grubbs, Paul W., xxx-xx-xxxx
 Grundmana, Valentine R., Jr., xxx-xx-xxxx
 Guessford, Wayne K., xxx-xx-xxxx
 Gunther, William J., xxx-xx-xxxx
 Gural, Mike W., xxx-xx-xxxx
 Haas, Joseph J., xxx-xx-xxxx
 Hafler, Harry A., xxx-xx-xxxx
 Hall, Joseph E., xxx-xx-xxxx
 Hall, William G., xxx-xx-xxxx
 Halpin, Joseph G., Jr., xxx-xx-xxxx
 Hamel, Robert D., xxx-xx-xxxx
 Mammack, Hurschel L., xxx-xx-xxxx
 Hammond, Edward A., Jr., xxx-xx-xxxx
 Hampton, Joe O., xxx-xx-xxxx
 Hanaway, Richard J., xxx-xx-xxxx
 Hansen, Orval H., xxx-xx-xxxx
 Hardman, Mervin G., xxx-xx-xxxx
 Harner, Cletus M., xxx-xx-xxxx
 Harper, Charles W., Jr., xxx-xx-xxxx
 Harper, Emmett D., xxx-xx-xxxx
 Harrah, Larry A., xxx-xx-xxxx
 Harris, Dillard J. F., xxx-xx-xxxx
 Harris, Luther F., Jr., xxx-xx-xxxx
 Harris, Sheldon, xxx-xx-xxxx
 Hartley, Daniel B., xxx-xx-xxxx
 Hartman, Richard C., xxx-xx-xxxx
 Hartstra, Walter, xxx-xx-xxxx
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 Heblnick, Bernard L., xxx-xx-xxxx
 Hedin, Gene R., xxx-xx-xxxx
 Heimer, John M., xxx-xx-xxxx
 Hellauer, Joseph F., Jr., xxx-xx-xxxx
 Helms, Andrel K., xxx-xx-xxxx
 Henderson, Robert T., xxx-xx-xxxx
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 Hengen, Ronald F., xxx-xx-xxxx
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 Hersom, Richard K., xxx-xx-xxxx
 Hervey, Howard D., xxx-xx-xxxx
 Hess, Robert G., xxx-xx-xxxx
 Hester, Frederick E., xxx-xx-xxxx
 Hilburn, Maurice C., Jr., xxx-xx-xxxx
 Hildebrandt, Jay D., xxx-xx-xxxx
 Hill, Quentin M., xxx-xx-xxxx
 Hilliard, Jack B., xxx-xx-xxxx
 Hillman, Donald W., xxx-xx-xxxx
 Hinman, Paul E., Sr., xxx-xx-xxxx
 Hoffman, Richard H., xxx-xx-xxxx
 Hoffman, Robert J., xxx-xx-xxxx
 Hoffmann, Warren E., xxx-xx-xxxx
 Holtzmann, William C., xxx-xx-xxxx
 Hom, Milton, xxx-xx-xxxx
 Hondros, Spiro C., xxx-xx-xxxx
 Horton, Lyman C., xxx-xx-xxxx
 Horvath, Frank M., xxx-xx-xxxx
 Hovey, Stanford T., xxx-xx-xxxx
 Howell, George G., xxx-xx-xxxx
 Hoy, William E., xxx-xx-xxxx
 Hubbard, Larry M., xxx-xx-xxxx
 Hubell, Thomas E., xxx-xx-xxxx
 Hughes, Patrick V., xxx-xx-xxxx
 Hulse, Donald R., Sr., xxx-xx-xxxx
 Humm, John R., xxx-xx-xxxx
 Humphries, Homer H., Jr., xxx-xx-xxxx
 Hunt, Gary G., xxx-xx-xxxx
 Hurlbut, Patrick B., xxx-xx-xxxx
 Huss, George E., xxx-xx-xxxx
 Hutchins, Robert B., Jr., xxx-xx-xxxx
 Hyndman, Ernest R., xxx-xx-xxxx
 Irick, Ralph W., xxx-xx-xxxx
 Jackson, Floyd M., xxx-xx-xxxx
 Jackson, Frank L., xxx-xx-xxxx
 Jacobs, Reed M., xxx-xx-xxxx
 Jacoby, Maclear, Jr., xxx-xx-xxxx

Jajko, Walter, xxx-xx-xxxx
 James, Larry G., xxx-xx-xxxx
 Jenkins, Joseph F., xxx-xx-xxxx
 Jernigan, Howard P., xxx-xx-xxxx
 Jim, Clarence F. L., xxx-xx-xxxx
 Johnson, Clifton A., xxx-xx-xxxx
 Johnson, Larry E., xxx-xx-xxxx
 Johnson, Robert H., xxx-xx-xxxx
 Johnson, Terry A., xxx-xx-xxxx
 Johnson, Theodore D., xxx-xx-xxxx
 Jones, Andrew R. J., xxx-xx-xxxx
 Jones, George S., Jr., xxx-xx-xxxx
 Jones, Herman A., xxx-xx-xxxx
 Jones, Robert T., xxx-xx-xxxx
 Jones, Thomas E., xxx-xx-xxxx
 Jordan, Martin W., Jr., xxx-xx-xxxx
 Jordanmusa, Enrique A., xxx-xx-xxxx
 Kaley, Robert R., xxx-xx-xxxx
 Kane, Paul R., xxx-xx-xxxx
 Kavanagh, James J., xxx-xx-xxxx
 Kawamura, George S., xxx-xx-xxxx
 Keesling, Joseph R., xxx-xx-xxxx
 Kelly, James P., xxx-xx-xxxx
 Kemp, Thomas D., III, xxx-xx-xxxx
 Kershlis, William R., xxx-xx-xxxx
 Kimball, Robert C., xxx-xx-xxxx
 Kimball, Wesley R., xxx-xx-xxxx
 Kincaid, Don W., xxx-xx-xxxx
 Kittock, James A., xxx-xx-xxxx
 Klein, Daniel E., Jr., xxx-xx-xxxx
 Kloess, Lawrence H., Jr., xxx-xx-xxxx
 Knight, Kenneth L., xxx-xx-xxxx
 Knight, Roger G., xxx-xx-xxxx
 Koselka, William J., xxx-xx-xxxx
 Kramer, Paul S., xxx-xx-xxxx
 Krizek, Eugene L., xxx-xx-xxxx
 Kroesen, Gerald C., xxx-xx-xxxx
 Kwortnik, John C., xxx-xx-xxxx
 Laborde, Bernard B., xxx-xx-xxxx
 Lamb, Robert J., xxx-xx-xxxx
 Landis, William J., xxx-xx-xxxx
 Landry, Eual J., Jr., xxx-xx-xxxx
 Larsen, Norman L., xxx-xx-xxxx
 Laverty, William H., xxx-xx-xxxx
 Law, Thomas J., xxx-xx-xxxx
 Lear, Charles F., xxx-xx-xxxx
 Lederer, Howard A., xxx-xx-xxxx
 Lee, Clarence B. H., xxx-xx-xxxx
 Lee, Rex L., xxx-xx-xxxx
 Leonard, Thomas C., xxx-xx-xxxx
 Lesesne, Thomas P., III, xxx-xx-xxxx
 Levy, Ronald C., xxx-xx-xxxx
 Lewis, James W., xxx-xx-xxxx
 Lewis, Thomas E., xxx-xx-xxxx
 Liddy, John A., Jr., xxx-xx-xxxx
 Lindig, Theo P., xxx-xx-xxxx
 Lindsey, Clifford M., xxx-xx-xxxx
 Lingo, Billy R., xxx-xx-xxxx
 Link, Rodney L., xxx-xx-xxxx
 Lippold, Carl H., Jr., xxx-xx-xxxx
 Lloyd, Garland R., xxx-xx-xxxx
 Logsdon, Rodger C., xxx-xx-xxxx
 Lome, Shia L., xxx-xx-xxxx
 Lopez, Leroy E., xxx-xx-xxxx
 Lowe, Charles L., xxx-xx-xxxx
 Lucas, Joseph W., xxx-xx-xxxx
 Lueg, Russell E., xxx-xx-xxxx
 Lundell, Bert A., xxx-xx-xxxx
 Lundy, Robert H., xxx-xx-xxxx
 Lynch, Ancell D., xxx-xx-xxxx
 Lynn, Robert D., xxx-xx-xxxx
 MacFarland, Guy K., xxx-xx-xxxx
 MacWhorter, George M., xxx-xx-xxxx
 Magazzu, Peter L., xxx-xx-xxxx
 Magee, Thomas G., xxx-xx-xxxx
 Maier, Melvin G., xxx-xx-xxxx
 Malliet, Delbert F., xxx-xx-xxxx
 Malone, Claude D., Jr., xxx-xx-xxxx
 Malone, Joseph R., xxx-xx-xxxx
 Malucci, Louis J., xxx-xx-xxxx
 Marcotte, Lamar R., Jr., xxx-xx-xxxx
 Martin, Donald D., xxx-xx-xxxx
 Martin, Richard L., xxx-xx-xxxx
 Martinez, Joe E., xxx-xx-xxxx
 Mason, Allen S., xxx-xx-xxxx
 Mathews, Edward C., xxx-xx-xxxx
 Maurer, James, xxx-xx-xxxx
 Mayer, Robert E., xxx-xx-xxxx
 Mayer, Roger W., xxx-xx-xxxx
 McAuliffe, James R., xxx-xx-xxxx
 McCarter, Harvey J., xxx-xx-xxxx
 McCarthy, Bruce E., xxx-xx-xxxx
 McCarthy, Richard D., xxx-xx-xxxx
 McClusky, Gene D., xxx-xx-xxxx
 McCord, Warren I., xxx-xx-xxxx
 McCoy, Paul E., xxx-xx-xxxx
 McElroy, Richard N., xxx-xx-xxxx
 McGary, John M., xxx-xx-xxxx
 McGough, James C., xxx-xx-xxxx
 McKay, George, xxx-xx-xxxx
 McMurray, Robert A., Jr., xxx-xx-xxxx
 McNulty, Edward J., xxx-xx-xxxx
 Meeker, Joe A., xxx-xx-xxxx
 Mehelas, John N., xxx-xx-xxxx
 Meredith, Jennings B., xxx-xx-xxxx
 Merrow, Norman E., xxx-xx-xxxx
 Messer, Robert S., xxx-xx-xxxx
 Messner, Gary R., xxx-xx-xxxx
 Meurlot, Karl E., xxx-xx-xxxx
 Meyers, William E., xxx-xx-xxxx
 Miller, Dorance L., xxx-xx-xxxx
 Miller, Kenneth G., xxx-xx-xxxx
 Miller, Ralph W., Jr., xxx-xx-xxxx
 Miller, Roy C., xxx-xx-xxxx
 Minter, George E., xxx-xx-xxxx
 Minter, Charles E., xxx-xx-xxxx
 Mitchel, Alexander M., xxx-xx-xxxx
 Moen, Jerry R., xxx-xx-xxxx
 Molberg, Charles F., xxx-xx-xxxx
 Monarch, John E., III, xxx-xx-xxxx
 Monczewski, Matthew E., xxx-xx-xxxx
 Moody, Walter D., xxx-xx-xxxx
 Moody, Wayne L., xxx-xx-xxxx
 Mooney, Daniel J., xxx-xx-xxxx
 Mooney, Randall O., xxx-xx-xxxx
 Moore, James A., xxx-xx-xxxx
 Moore, Jim A., xxx-xx-xxxx
 Moore, Richard A., xxx-xx-xxxx
 Moore, Roger L., xxx-xx-xxxx
 Moore, Sheppard N., xxx-xx-xxxx
 Morgan, Wayne K., xxx-xx-xxxx
 Morris, Everett E., xxx-xx-xxxx
 Morton Lanny R., xxx-xx-xxxx
 Mowl, Glenn E., xxx-xx-xxxx
 Mugg, David W., xxx-xx-xxxx
 Mumma, Willard H., Jr., xxx-xx-xxxx
 Munson, Edward D., xxx-xx-xxxx
 Murphy, Charles F., xxx-xx-xxxx
 Murphy, Emmett D., xxx-xx-xxxx
 Murphy, John A., xxx-xx-xxxx
 Murphy, William J., xxx-xx-xxxx
 Neilson, Gordon W., xxx-xx-xxxx
 Nelson, Danny G., xxx-xx-xxxx
 Nelson, Philip A., Jr., xxx-xx-xxxx
 Nelson, Richard D., xxx-xx-xxxx
 Nemoto, Herbert K., xxx-xx-xxxx
 Nevarez, Julian E., xxx-xx-xxxx
 Neville, Joseph P., Jr., xxx-xx-xxxx
 Neville, William V., Jr., xxx-xx-xxxx
 Newby, Waller J., xxx-xx-xxxx
 Nichol, Richard K., xxx-xx-xxxx
 Nielsen, William F., xxx-xx-xxxx
 Ninnemann, Gene A., xxx-xx-xxxx
 Nolley, John R., Jr., xxx-xx-xxxx
 Noory, George G., xxx-xx-xxxx
 Nowicki, Lubomir J., xxx-xx-xxxx
 Nusbaum, William P., Jr., xxx-xx-xxxx
 Odell, King B., Jr., xxx-xx-xxxx
 Oden, Rolland S., xxx-xx-xxxx
 Odonohue, Daniel J., Jr., xxx-xx-xxxx
 Oglesby, Theodore N., Jr., xxx-xx-xxxx
 Olcott, Victor G., xxx-xx-xxxx
 Oldershaw, Bruce R., xxx-xx-xxxx
 Olson, James K., xxx-xx-xxxx
 Olson, Richard E., xxx-xx-xxxx
 Olson, Roger W., xxx-xx-xxxx
 Orloff, Alexander L., xxx-xx-xxxx
 Orme, David L., xxx-xx-xxxx
 Orosky, John R., xxx-xx-xxxx
 Osberg, John R., xxx-xx-xxxx
 Outland, Kenneth J., xxx-xx-xxxx
 Owens, Roger L., xxx-xx-xxxx
 Palmerberg, Mario J., xxx-xx-xxxx
 Palumbo, Mario J., xxx-xx-xxxx
 Paper, Lawrence N., xxx-xx-xxxx
 Parker, Francis T., xxx-xx-xxxx
 Parry, Robert A., xxx-xx-xxxx
 Parsons, Warner K., xxx-xx-xxxx
 Paskevitz, Louis, xxx-xx-xxxx
 Patterson, Gary L., xxx-xx-xxxx
 Paulson, John E., xxx-xx-xxxx
 Peel, Robert K., xxx-xx-xxxx
 Peery, Jerrold A., xxx-xx-xxxx
 Perciballi, Angelo J., xxx-xx-xxxx
 Perezbrennan, Jaime R., xxx-xx-xxxx
 Perrine, Elton L., xxx-xx-xxxx
 Perryman, John T., xxx-xx-xxxx
 Peters, Charles W., xxx-xx-xxxx
 Petersen, Robert G., xxx-xx-xxxx
 Petree, Charles R., II, xxx-xx-xxxx
 Petree, John R., xxx-xx-xxxx
 Philbin, Edward J., xxx-xx-xxxx
 Philpot, Orris E., Jr., xxx-xx-xxxx
 Pickett, Hugh E., xxx-xx-xxxx
 Pishkin, Vladimir, xxx-xx-xxxx
 Pittman, Harvey C., xxx-xx-xxxx
 Poquette, George W., Jr., xxx-xx-xxxx
 Potts, Kenneth E., xxx-xx-xxxx
 Poulos, Nicholas J., xxx-xx-xxxx
 Poulsen, Neils R., xxx-xx-xxxx
 Prater, James O., xxx-xx-xxxx
 Pratt, William E., Jr., xxx-xx-xxxx
 Prevallet, Donald E., xxx-xx-xxxx
 Purselley, Alvie W., xxx-xx-xxxx
 Pyle, Charles R., xxx-xx-xxxx
 Radford, Albert F., xxx-xx-xxxx
 Rady, Donald E., xxx-xx-xxxx
 Raia, Anthony P., xxx-xx-xxxx
 Ralstin, Gary W., xxx-xx-xxxx
 Ramsey, Benny L., Jr., xxx-xx-xxxx
 Rast, Jacob P., Jr., xxx-xx-xxxx
 Ratcliff, Jimmy R., xxx-xx-xxxx
 Rathbun, Grove A., Jr., xxx-xx-xxxx
 Rawl, William B., xxx-xx-xxxx
 Razzeto, Robert T., xxx-xx-xxxx
 Redgate, William E., xxx-xx-xxxx
 Redzinski, Gilbert E., xxx-xx-xxxx
 Reed, Bert R., Jr., xxx-xx-xxxx
 Rehak, Charles R., xxx-xx-xxxx
 Reilly, Edward J., Jr., xxx-xx-xxxx
 Repasky, Raymond G., xxx-xx-xxxx
 Ricci, Caesar A., xxx-xx-xxxx
 Riddle, John D., xxx-xx-xxxx
 Ridgway, Donald L., xxx-xx-xxxx
 Ring, James C., xxx-xx-xxxx
 Robbins, James L., xxx-xx-xxxx
 Roberts, Leander J., Jr., xxx-xx-xxxx
 Roberts, Ronald E., xxx-xx-xxxx
 Robertson, Gilbert A., xxx-xx-xxxx
 Robertson, Wesley L., III, xxx-xx-xxxx
 Robinson, Charles M., xxx-xx-xxxx
 Robnett, Donald K., xxx-xx-xxxx
 Roche, Herbert J., Jr., xxx-xx-xxxx
 Rockett, Alton C., Jr., xxx-xx-xxxx
 Rower, William H., xxx-xx-xxxx
 Rogers, John R., Jr., xxx-xx-xxxx
 Roquet, Jerry A., xxx-xx-xxxx
 Rose, Ronald N., xxx-xx-xxxx
 Roth, Donald C., xxx-xx-xxxx
 Roth, Louis B., Jr., xxx-xx-xxxx
 Rowe, Joseph P., xxx-xx-xxxx
 Rowland, Martin J., xxx-xx-xxxx
 Rubinstein, Louis, xxx-xx-xxxx
 Ruebel, Alfred L., II, xxx-xx-xxxx
 Rysavy, Molka A., xxx-xx-xxxx
 Salerno, Samuel J., xxx-xx-xxxx
 Sanders, Blake E., xxx-xx-xxxx
 Sanders, Ned M., xxx-xx-xxxx
 Sanders, Robert L., Jr., xxx-xx-xxxx
 Sanders, Robert T., xxx-xx-xxxx
 Sarafin, Raymond C., xxx-xx-xxxx
 Sarkissian, Ira K., xxx-xx-xxxx
 Saul, James W., xxx-xx-xxxx
 Sayre, Philip R., xxx-xx-xxxx
 Schaeffe, William J., xxx-xx-xxxx
 Schelley, Lee E., xxx-xx-xxxx
 Schleicher, Lloyd G., xxx-xx-xxxx
 Schleesser, Stanley F., xxx-xx-xxxx
 Schoendienst, Floyd J., xxx-xx-xxxx
 Schroeder, Lawrence J., xxx-xx-xxxx
 Schroeder, Robert W., xxx-xx-xxxx
 Schwab, Ernest A., xxx-xx-xxxx
 Schweigert, Weldon W., xxx-xx-xxxx
 Schwinger, William J., xxx-xx-xxxx
 Scipione, Vincent M., xxx-xx-xxxx
 Scott, Thomas D., xxx-xx-xxxx
 Sefchik, Francis T., xxx-xx-xxxx
 Sellers, Edward D., xxx-xx-xxxx
 Sensenbrenner, Melvin B., xxx-xx-xxxx
 Severson, Laverne D., xxx-xx-xxxx
 Shanks, Ellis P., xxx-xx-xxxx
 Sharp, Robert B., xxx-xx-xxxx
 Shasholin, Sviatoslav T., xxx-xx-xxxx

Shaw, James R., xxx-xx-xxxx
 Shearer, George A., xxx-xx-xxxx
 Shearouse, Nesbit B., xxx-xx-xxxx
 Sheeler, Donald W., xxx-xx-xxxx
 Shiffman, Philip J., xxx-xx-xxxx
 Shinn, Robert E., xxx-xx-xxxx
 Shoffick, Donald L., xxx-xx-xxxx
 Shreffler, Thomas D., xxx-xx-xxxx
 Siegel, William C., xxx-xx-xxxx
 Simon, Charles L., xxx-xx-xxxx
 Simon, Harold L., xxx-xx-xxxx
 Simon, James E., xxx-xx-xxxx
 Singleton, Roy E., xxx-xx-xxxx
 Sipple, John L., Sr., xxx-xx-xxxx
 Sizemore, Oral G., xxx-xx-xxxx
 Skeels, Richard S., xxx-xx-xxxx
 Sklar, Arthur A., xxx-xx-xxxx
 Skroch, Edward A., Jr., xxx-xx-xxxx
 Small, Robert D., xxx-xx-xxxx
 Smith, Broadus L., xxx-xx-xxxx
 Smith, Charles V., xxx-xx-xxxx
 Smith, Charles W., xxx-xx-xxxx
 Smith, Donald J., xxx-xx-xxxx
 Smith, Flynt L., xxx-xx-xxxx
 Smith, Gordon K., xxx-xx-xxxx
 Smith, James A., xxx-xx-xxxx
 Smith, James W., xxx-xx-xxxx
 Smith, John H., Jr., xxx-xx-xxxx
 Smith, John R., xxx-xx-xxxx
 Smith, Lloyd F., xxx-xx-xxxx
 Smith, Melden E., Jr., xxx-xx-xxxx
 Smith, Robert F., xxx-xx-xxxx
 Smith, Roy I., Jr., xxx-xx-xxxx
 Snelling, Hilda J., xxx-xx-xxxx
 Stancik, William C., xxx-xx-xxxx
 Stanton, Ronald L., xxx-xx-xxxx
 Stark, Norman J., xxx-xx-xxxx
 Stasio, August M., xxx-xx-xxxx
 Staunton, Louis D., xxx-xx-xxxx
 St. Clair, Jimmy C., xxx-xx-xxxx
 Steinberg, Jack M., xxx-xx-xxxx
 Stern, Jack I., xxx-xx-xxxx
 Stevens, Douglas K., xxx-xx-xxxx
 Stogsdill, Franklin L., xxx-xx-xxxx
 Streeter, Richard G., xxx-xx-xxxx
 Striebach, John H., xxx-xx-xxxx
 Stroud, John F., Jr., xxx-xx-xxxx
 Stucke, Lloyd J., xxx-xx-xxxx
 Stuckey, Charles V., xxx-xx-xxxx
 Sullivan, Joseph R., xxx-xx-xxxx
 Sullivan, Laurence F., xxx-xx-xxxx
 Sullivan, Philip L., xxx-xx-xxxx
 Sumida, Henry M., xxx-xx-xxxx
 Summerfield, John A., xxx-xx-xxxx
 Sutton, Richard D., xxx-xx-xxxx
 Swirnow, Donald M., xxx-xx-xxxx
 Szymanski, Lawrence B., xxx-xx-xxxx
 Tamura, Seigi, xxx-xx-xxxx
 Tate, Robert L., xxx-xx-xxxx
 Tatham, Thomas J., xxx-xx-xxxx
 Taylor, Johnny S., xxx-xx-xxxx
 Taylor, Robert E., xxx-xx-xxxx
 Tegtmeyer, Alexander E., xxx-xx-xxxx
 Templin, Charles R., xxx-xx-xxxx
 Teulie, Douglas J., xxx-xx-xxxx
 Sharp, John W., Jr., xxx-xx-xxxx
 Thomas, Donald A., xxx-xx-xxxx
 Thomas, James A., xxx-xx-xxxx
 Thompson, Ralph G., xxx-xx-xxxx
 Thornton, Jack E., xxx-xx-xxxx
 Tingley, Thomas E., xxx-xx-xxxx
 Titus, John W., xxx-xx-xxxx
 Titus, Ralph S., xxx-xx-xxxx
 Tonkin, John J., xxx-xx-xxxx
 Trafton, William F., xxx-xx-xxxx
 Trimble, Preston A., xxx-xx-xxxx
 Trojcek, Frank W., xxx-xx-xxxx
 Tucker, Roger L., xxx-xx-xxxx
 Tudor, George B., xxx-xx-xxxx
 Tuntland, Richard D., xxx-xx-xxxx
 Tuttle, Duane L., xxx-xx-xxxx
 Tuxill, Robert D., xxx-xx-xxxx
 Uglianskis, Romanas, xxx-xx-xxxx
 Umphenour, Sterling G., Jr., xxx-xx-xxxx
 Urbany, Francis S., xxx-xx-xxxx
 Urdahl, Kenneth A., xxx-xx-xxxx
 Vagnini, Louis T., xxx-xx-xxxx
 Valladares, Alfredo, xxx-xx-xxxx
 Vanetti, Donald E. E., xxx-xx-xxxx
 Vanriper, Martin L., Jr., xxx-xx-xxxx
 Vaughan, Robert H., Jr., xxx-xx-xxxx
 Vendange, Oger J., xxx-xx-xxxx

Vorwald, Guenter W., xxx-xx-xxxx
 Wadleigh, Nicholas H., xxx-xx-xxxx
 Wagner, John G., xxx-xx-xxxx
 Wahlin, Donald D., xxx-xx-xxxx
 Walch, David W., xxx-xx-xxxx
 Walker, Herbert O., xxx-xx-xxxx
 Wallenmeyer, Robert L., xxx-xx-xxxx
 Walters, Phillip R., xxx-xx-xxxx
 Walters, Ronald J., xxx-xx-xxxx
 Walton, Lawrence C., Jr., xxx-xx-xxxx
 Warner, David B., xxx-xx-xxxx
 Warren, James H., xxx-xx-xxxx
 Watkins, Melvin C., xxx-xx-xxxx
 Webb, Paul A., Jr., xxx-xx-xxxx
 Weibel, Donald L., xxx-xx-xxxx
 Welchert, Robert M., xxx-xx-xxxx
 Welde, William L., xxx-xx-xxxx
 Wenker, William J., xxx-xx-xxxx
 West, Dwayne F., xxx-xx-xxxx
 Westburg, Gale O., xxx-xx-xxxx
 Wetzel, James T., xxx-xx-xxxx
 Wheat, Ralph D., xxx-xx-xxxx
 White Floyd O. Jr., xxx-xx-xxxx
 White, Randall K., xxx-xx-xxxx
 White, William O., Jr., xxx-xx-xxxx
 Whitlock, John R., xxx-xx-xxxx
 Whitman, Robert L., xxx-xx-xxxx
 Whitman, Walter, xxx-xx-xxxx
 Wiggin, Merlon E., xxx-xx-xxxx
 Williams, James R., xxx-xx-xxxx
 Williams, Joseph R., xxx-xx-xxxx
 Williams, Lewis R., xxx-xx-xxxx
 Williamson, Bruce M., xxx-xx-xxxx
 Wilson, David S., xxx-xx-xxxx
 Wilson, Donald E., xxx-xx-xxxx
 Wilson, Harold K., xxx-xx-xxxx
 Wilson, Jimmy D., xxx-xx-xxxx
 Wilson, Richard J., xxx-xx-xxxx
 Wingler, Norman L., xxx-xx-xxxx
 Winston, Frank D., xxx-xx-xxxx
 Wise, Donald A., xxx-xx-xxxx
 Wish, Robert O., xxx-xx-xxxx
 Wissmar, David F. III, xxx-xx-xxxx
 Withington, Richard F., xxx-xx-xxxx
 Witte, Carl W., xxx-xx-xxxx
 Wokoun, Richard R., xxx-xx-xxxx
 Wooding, Judson E., xxx-xx-xxxx
 Woodiwiss, Ross E., xxx-xx-xxxx
 Wortelboer, Ronald C., xxx-xx-xxxx
 Wortham, Wilbur R., Jr., xxx-xx-xxxx
 Wright, Larry F., xxx-xx-xxxx
 Wright, Robert L., xxx-xx-xxxx
 Yeck, Robert S., xxx-xx-xxxx
 Yelton, Roy J., xxx-xx-xxxx
 Yeoman, Arthur J., xxx-xx-xxxx
 Zale, Robert J., xxx-xx-xxxx

CHAPLAIN CORPS

Copsey, Roy D., xxx-xx-xxxx
 Duggan, Paul E., xxx-xx-xxxx
 Fitzpatrick, John P., xxx-xx-xxxx
 Haigler, Alvin H., Sr., xxx-xx-xxxx
 Kolmer, Allen A., xxx-xx-xxxx
 McEntarfer, Martin A., xxx-xx-xxxx
 Peace, Philip C., xxx-xx-xxxx
 Ressetar, Daniel D., xxx-xx-xxxx
 Rubinstein, Morris L., xxx-xx-xxxx
 Sawyer, Dale M., xxx-xx-xxxx
 Warrington, James M., xxx-xx-xxxx
 Whitehouse, Donald S., xxx-xx-xxxx
 Williams, William N., xxx-xx-xxxx

DENTAL CORPS

Craig, James H., Jr., xxx-xx-xxxx
 Lee, Lawrence B., xxx-xx-xxxx
 Pegram, Walter B., xxx-xx-xxxx
 Rodger, Willard F., xxx-xx-xxxx
 Smilek, Stephen W., xxx-xx-xxxx
 Toll, Douglas E., xxx-xx-xxxx

MEDICAL CORPS

Bobbitt, Roy L., xxx-xx-xxxx
 Dougherty, Joseph C., xxx-xx-xxxx
 Gay, Arthur M., xxx-xx-xxxx
 Martin, Archibald, M., xxx-xx-xxxx
 Ortiz, Jesus, xxx-xx-xxxx
 Pidgeon, Joseph W., xxx-xx-xxxx
 Walgren, Harold N., xxx-xx-xxxx
 Wood, Philip, K., xxx-xx-xxxx

NURSE CORPS

Abshier, Barbara J., xxx-xx-xxxx
 Ashton, Agnes A., xxx-xx-xxxx
 Baemel, Mary L., xxx-xx-xxxx
 Betts, Marie T., xxx-xx-xxxx

Bohandy, Annie, xxx-xx-xxxx
 Boulanger, Jacqueline, xxx-xx-xxxx
 Butler, Norma J., xxx-xx-xxxx
 Chappel, Louise L., xxx-xx-xxxx
 Culpepper, Maria, xxx-xx-xxxx
 Darmody, William C., xxx-xx-xxxx
 Delgado, Maria E., xxx-xx-xxxx
 Diehl, Joyce M., xxx-xx-xxxx
 Dinish, Mae Helen, xxx-xx-xxxx
 Duncan, Susan J., xxx-xx-xxxx
 Dunn, Doris M., xxx-xx-xxxx
 Falconer, Jessie L., xxx-xx-xxxx
 Finnegan, James B., xxx-xx-xxxx
 Flank, Arthur P., xxx-xx-xxxx
 Franklin, Doris R., xxx-xx-xxxx
 Frerich, Margaret D., xxx-xx-xxxx
 Grant, Eva D., xxx-xx-xxxx
 Gray, Joan I., xxx-xx-xxxx
 Halanych, Nicholas, xxx-xx-xxxx
 Hamby, Shirley D., xxx-xx-xxxx
 Harrell, Patricia A., xxx-xx-xxxx
 Harrington, Helen C., xxx-xx-xxxx
 Harry, Maureen B., xxx-xx-xxxx
 Healy, Sara A., xxx-xx-xxxx
 Hebb, Anna L., xxx-xx-xxxx
 Henderson, Mary C., xxx-xx-xxxx
 Hewitson, Joyce C., xxx-xx-xxxx
 Hiler, Charlotte A., xxx-xx-xxxx
 Kenney, Bertha G., xxx-xx-xxxx
 Krusel, Emily T., xxx-xx-xxxx
 Larson, Barbara J., xxx-xx-xxxx
 Laurentz, Nancy J., xxx-xx-xxxx
 Lemon, Marilyn A., xxx-xx-xxxx
 Lindsey, Beverly S., xxx-xx-xxxx
 Logan, Bennie S., xxx-xx-xxxx
 Long, Patricia A., xxx-xx-xxxx
 Mapstone, Sara J., xxx-xx-xxxx
 Markowitsch, Olga, xxx-xx-xxxx
 Mather, Helen C., xxx-xx-xxxx
 Maurello, Albert W., xxx-xx-xxxx
 May, Peggy S., xxx-xx-xxxx
 McFadden, Elizabeth A., xxx-xx-xxxx
 McLaughlin, Rosemary F., xxx-xx-xxxx
 Meggers, Adele L., xxx-xx-xxxx
 Mundy, Norma F., xxx-xx-xxxx
 Nieberding, Shirley A., xxx-xx-xxxx
 Pearson, Janet G., xxx-xx-xxxx
 Pickett, Gayle L., xxx-xx-xxxx
 Pohman, Vivian C., xxx-xx-xxxx
 Reed, Mary J., xxx-xx-xxxx
 Schladoer, Carla E., xxx-xx-xxxx
 Solomon, Evelyn L., xxx-xx-xxxx
 Stash, Greta M., xxx-xx-xxxx
 Steiner, Lorraine, xxx-xx-xxxx
 Swanson, Clare M., xxx-xx-xxxx
 Valsamides, Sally A., xxx-xx-xxxx
 Wilson, Shirley A., xxx-xx-xxxx

MEDICAL SERVICE CORPS

Alexander, William K., xxx-xx-xxxx
 Brady, Herbert C., xxx-xx-xxxx
 Bublin, Charles A., xxx-xx-xxxx
 Defelice, Louis J., xxx-xx-xxxx
 Harrington, Charles L., xxx-xx-xxxx
 Holmes, Robert C., xxx-xx-xxxx
 Perry, Calvin G., xxx-xx-xxxx
 Polliseno, Robert L. T., xxx-xx-xxxx
 Shepherd, William L., xxx-xx-xxxx
 Thompkins, George W., xxx-xx-xxxx
 Turshen, Ethan A., xxx-xx-xxxx
 Wallace, Jack E., xxx-xx-xxxx

VETERINARY CORPS

Barton, Claude E., xxx-xx-xxxx
 Goodman, David E., xxx-xx-xxxx
 Heinemann, Jack M., xxx-xx-xxxx
 Joseph, Peter L., xxx-xx-xxxx
 McCauley, Curtis L., xxx-xx-xxxx
 Stein, Franklin J., xxx-xx-xxxx

BIOMEDICAL SCIENCE

Berry, Paul J., xxx-xx-xxxx
 Chang, Albert H. M., xxx-xx-xxxx
 Foster, Ralph V., xxx-xx-xxxx
 Hauser, Walter F., xxx-xx-xxxx
 Kuykendall, Edward A., xxx-xx-xxxx
 Leonard, Leona L., xxx-xx-xxxx
 Louie, Gordon C., xxx-xx-xxxx
 Roseman, Gerald J., xxx-xx-xxxx

IN THE ARMY

The following officers for appointment in the Adjutant General's Corps, Army National Guard of the United States under the pro-

visions of title 10, United States Code, sections 593(a) and 3392:

To be major general

Lt. Gen. (U.S. Army, retired) Glenn David Walker, xxx-xx-xxxx

To be brigadier general

Col. (ARNGUS) Charles Mercier Kiefner, xxx-xx-xxxx

Col. (ARNGUS) Francis Lally Winner, xxx-xx-xxxx

IN THE ARMY

The following-named officers for promotion in the Reserve of the Army of the United States, under the provisions of title 10, section 3383:

ARMY PROMOTION LIST

To be colonel

Anderson, Edmund A., Jr., xxx-xx-xxxx
Arras, Robert G., xxx-xx-xxxx
Beal, James E., xxx-xx-xxxx
Briggs, Lovett L., xxx-xx-xxxx
Dorda, Frank J., III, xxx-xx-xxxx
Gleason, Howard W., Jr., xxx-xx-xxxx
Gray, Johnnie L., Jr., xxx-xx-xxxx
Green, Robert J., xxx-xx-xxxx
Holiman, Oscar B., Jr., xxx-xx-xxxx
Holt, Frank J., xxx-xx-xxxx
Hughes, Robert D., xxx-xx-xxxx
Hyatt, Thomas P., xxx-xx-xxxx
Latham, Malcolm D., Jr., xxx-xx-xxxx
Lukiewski, Edward W., xxx-xx-xxxx
McGuire, James M., xxx-xx-xxxx
Sincore, Horace J., xxx-xx-xxxx
Stahl, Clement J., xxx-xx-xxxx
Tamura, Michael M., xxx-xx-xxxx
Wilkins, Ronald D., xxx-xx-xxxx

MEDICAL CORPS

To be colonel

Aftandilian, Emil E., xxx-xx-xxxx
Printen, Kenneth J., xxx-xx-xxxx

The following-named officers for promotion in the Reserve of the Army of the United States, under the provisions of title 10, sections 3366, 3367, and 3383:

ARMY PROMOTION LIST

To be lieutenant colonel

Albert, Robert L., xxx-xx-xxxx
Anderson, Peter A., xxx-xx-xxxx
Atherton, Harper B., xxx-xx-xxxx
Ballenger, William A., xxx-xx-xxxx
Bassard, Knowlton H., xxx-xx-xxxx
Bennett, Carl M., xxx-xx-xxxx
Biaggi, Luis E., xxx-xx-xxxx
Brewington, Robert M., xxx-xx-xxxx
Broach, Elmer M., xxx-xx-xxxx
Bromley, Richard W., xxx-xx-xxxx
Brookshire, Henry A., Jr., xxx-xx-xxxx
Broome, Bobby R., xxx-xx-xxxx
Brown, Theodore C., Jr., xxx-xx-xxxx
Bryant, Alvin, xxx-xx-xxxx
Burgmeier, Richard J., xxx-xx-xxxx
Burns, Donald A., xxx-xx-xxxx
Calder, Leslie G., xxx-xx-xxxx
Calkins, Florant L., Jr., xxx-xx-xxxx
Capalbo, John H., xxx-xx-xxxx
Carroll, Joseph R., xxx-xx-xxxx
Cash, Paul F., xxx-xx-xxxx
Crape, Elmer L., xxx-xx-xxxx
Crowe, Joseph E., xxx-xx-xxxx
Curcio, Leonard A., xxx-xx-xxxx
Cushing, Thomas S., xxx-xx-xxxx
Damico, Carl A., xxx-xx-xxxx
Darling, Allan L., xxx-xx-xxxx
Deibel, Charles L., xxx-xx-xxxx
Dewitt, Albert H., xxx-xx-xxxx
Dobbs, Wesley H., xxx-xx-xxxx
Duell, George H., Jr., xxx-xx-xxxx
Dunn, James W., xxx-xx-xxxx
Eitel, George L., Jr., xxx-xx-xxxx
Ferguson, John H., xxx-xx-xxxx
Ferneck, Frank A., xxx-xx-xxxx
Fleming, Blaine T., xxx-xx-xxxx
Franke, George E., xxx-xx-xxxx
Fry, Elgin G., xxx-xx-xxxx
Garcia, Edward G., xxx-xx-xxxx
Garrison, Carl D., xxx-xx-xxxx
Giles, Joe R., xxx-xx-xxxx
Goble, Bobby, xxx-xx-xxxx

Goceljak, John P., xxx-xx-xxxx
Gore, Gerald J., xxx-xx-xxxx
Grabeel, Jacob W., xxx-xx-xxxx
Greene, James L., xxx-xx-xxxx
Grine, Joseph R., xxx-xx-xxxx
Hale, Gene P., xxx-xx-xxxx
Hardt, Jerome D., xxx-xx-xxxx
Hinkle, Richard F., xxx-xx-xxxx
Hisle, Armer G., xxx-xx-xxxx
Hodges, Sam W., Jr., xxx-xx-xxxx
Hoeftich, Edward A., xxx-xx-xxxx
Hughes, Michael J., xxx-xx-xxxx
Hundrup, Tagg R., xxx-xx-xxxx
Johnson, James C., xxx-xx-xxxx
Johnson, James H., xxx-xx-xxxx
Jordan, Donald M., xxx-xx-xxxx
Jorling, Joseph H., Jr., xxx-xx-xxxx
Kaufman, Robert L., xxx-xx-xxxx

Kerr, John W., xxx-xx-xxxx
Lame, Robert A., xxx-xx-xxxx
Lanie, William J., xxx-xx-xxxx
Leggitt, James R., xxx-xx-xxxx
Lewis, Carl M., Jr., xxx-xx-xxxx
Lohrenz, Leander J., xxx-xx-xxxx
Long, William B., Jr., xxx-xx-xxxx
Madelbaum, Charles R., xxx-xx-xxxx
Malesky, Robert W., xxx-xx-xxxx
Manasco, Robert S., xxx-xx-xxxx
Marsh, Allen J., xxx-xx-xxxx
Matthews, John H., xxx-xx-xxxx
McAllister, Eugene D., xxx-xx-xxxx
McCully, Robert W., xxx-xx-xxxx
McDougall, Ronald V., xxx-xx-xxxx
McIndoe, James B., xxx-xx-xxxx
Meyer, Lynn D., xxx-xx-xxxx
Miller, Robert E., Jr., xxx-xx-xxxx
Mohr, Donnell S., xxx-xx-xxxx
Moore, David, Jr., xxx-xx-xxxx
Moore, Elza L., xxx-xx-xxxx
Musgrove, James E., xxx-xx-xxxx
Nelson, James A., xxx-xx-xxxx
Nugent, Edward J., xxx-xx-xxxx
Nyberg, Kenneth E., xxx-xx-xxxx
O'Brien, Frederick J., xxx-xx-xxxx
Orndorff, David A., xxx-xx-xxxx
Payne, Kenneth L., xxx-xx-xxxx
Pessin, Robert H., xxx-xx-xxxx
Peters, George A., xxx-xx-xxxx
Petosa, Joseph J., xxx-xx-xxxx
Peyton, William M., xxx-xx-xxxx
Piercy, Richard T., xxx-xx-xxxx
Pigg, Richard E., xxx-xx-xxxx
Plato, Artis I., xxx-xx-xxxx
Rahe, Dewain H., xxx-xx-xxxx
Regen, Sidney, xxx-xx-xxxx
Rehkamp, Paul G., xxx-xx-xxxx
Reinah, David, xxx-xx-xxxx
Robinson, Samuel J., Jr., xxx-xx-xxxx
Robison, Douglas A., xxx-xx-xxxx
Rogers, George V., xxx-xx-xxxx
Rothe, Herbert B., Jr., xxx-xx-xxxx
Schliefert, Mervyn L., xxx-xx-xxxx
Seeburger, George W., xxx-xx-xxxx
Serfass, Frederick M., xxx-xx-xxxx
Sherwood, Wallace C., xxx-xx-xxxx
Slezak, Donald J., xxx-xx-xxxx
Smith, Dickie, xxx-xx-xxxx
Smith, James E., xxx-xx-xxxx
Snare, Raymond J., Jr., xxx-xx-xxxx
Spencer, Thomas A., xxx-xx-xxxx
Squires, Walter H., xxx-xx-xxxx
Stelden, William E., xxx-xx-xxxx
Stone, Hugh W., xxx-xx-xxxx
Strickland, Jack C., xxx-xx-xxxx
Striffler, Russell F., xxx-xx-xxxx
Strobel, Guenter K. J., xxx-xx-xxxx
Stroud, Thomas F. III, xxx-xx-xxxx
Sullivan, Anthony D., xxx-xx-xxxx
Sweeney, Earle D., xxx-xx-xxxx
Travis, William T., xxx-xx-xxxx
Tuft, John R., xxx-xx-xxxx
Utle, Freddy D., xxx-xx-xxxx
Warren, William M., xxx-xx-xxxx
Watkins, John W., xxx-xx-xxxx
Wilson, Riley W., xxx-xx-xxxx
White, James M., xxx-xx-xxxx
Yitzthum, Edward F., xxx-xx-xxxx

CHAPLAIN

To be lieutenant colonel

Dowdell, Brian J., xxx-xx-xxxx

Howells, Robert D., xxx-xx-xxxx
Nietering, Donald G., xxx-xx-xxxx

DENTAL CORPS

To be lieutenant colonel

Favalora, Guy A., xxx-xx-xxxx
Shannon, John L., xxx-xx-xxxx

MEDICAL CORPS

To be lieutenant colonel

Montgomery, Wally O., xxx-xx-xxxx

MEDICAL SERVICE CORPS

To be lieutenant colonel

Counts, Jon M., xxx-xx-xxxx
Elmer, Robert L., xxx-xx-xxxx
McGinn, George P., xxx-xx-xxxx
Schneider, John C., Jr., xxx-xx-xxxx

VETERINARY CORPS

To be lieutenant colonel

Woodling, William L., xxx-xx-xxxx

The following-named officers for appointment in the Reserve of the Army of the United States, under the provisions of Title 10, U.S.C., Sections 591, 593, and 594:

ARMY NURSE CORPS

To be lieutenant colonel

Davis, Marilyn T., xxx-xx-xxxx

DENTAL CORPS

To be lieutenant colonel

Andrews, D. M., xxx-xx-xxxx

MEDICAL CORPS

To be lieutenant colonel

Cierebiej, Albert, xxx-xx-xxxx
Delgado, Rizal R., xxx-xx-xxxx
Karunaker, Arsr, xxx-xx-xxxx
King, Roy D., xxx-xx-xxxx
Stuen, Marcus R., xxx-xx-xxxx
Sutton, Richard O., Jr., xxx-xx-xxxx
Tolson, James M., xxx-xx-xxxx

The following-named officers for appointment in the Army of the United States under the provisions of Title 10, U.S.C., Section 3494:

MEDICAL CORPS

To be lieutenant colonel

Bronson, Richard A., xxx-xx-xxxx
Bruhn, Frederic W., xxx-xx-xxxx
Creel, Stephen M., xxx-xx-xxxx
Ergas, Ralph E., xxx-xx-xxxx
Flye, Melvyn W., xxx-xx-xxxx
Garbowicz, Leon, xxx-xx-xxxx
Henderson, Haller S., xxx-xx-xxxx
Kashgarian, Mark, xxx-xx-xxxx
Kim, Young J., xxx-xx-xxxx
Kumari, Suresh, xxx-xx-xxxx
Monzingo, George, xxx-xx-xxxx
Moreira, Allan, xxx-xx-xxxx
Pardi, Mariateresa M., xxx-xx-xxxx
Rossiter, Francis, xxx-xx-xxxx
Rainess, Alan E., xxx-xx-xxxx
Sahukar, Satya P., xxx-xx-xxxx
Schatter, Egon K., xxx-xx-xxxx
Semenoff, Daniel J., xxx-xx-xxxx
Siddhivarn, Narumon, xxx-xx-xxxx

The following-named Army National Guard officers for appointment in the Reserve of the Army of the United States, under the provisions of Title 10, U.S.C., Section 3385:

ARMY PROMOTION LIST

To be colonel

Anderson, James D., xxx-xx-xxxx
Bax, Giles A., xxx-xx-xxxx
Duckett, Louis, xxx-xx-xxxx
Gibson, Billy D., xxx-xx-xxxx
Gore, John F., xxx-xx-xxxx
Hanna, Bobby G., xxx-xx-xxxx
Jones, Martin L., xxx-xx-xxxx
Kienlen, Bruce A., xxx-xx-xxxx
Mathieu, Jerome J., Jr., xxx-xx-xxxx
McClellan, Robert G., xxx-xx-xxxx
Parsons, Paul A., xxx-xx-xxxx
Pettit, Clarence A., xxx-xx-xxxx
Roux, Edwin P., xxx-xx-xxxx
Scharber, Edward H., Jr., xxx-xx-xxxx
Schneider, Elmer, xxx-xx-xxxx
Scott, Edgar H., Jr., xxx-xx-xxxx

Vestal, Reagan, Jr., xxx-xx-xxxx
Walker, Robert D., xxx-xx-xxxx
Whelchel, Jerry L., xxx-xx-xxxx
Williams, Richard E., xxx-xx-xxxx
Zydanowicz, Raymond J., xxx-xx-xxxx

MEDICAL CORPS

To be colonel

Stephenson, Jackie D., xxx-xx-xxxx

ARMY PROMOTION LIST

To be lieutenant colonel

Adams, Richard D., xxx-xx-xxxx
Altieri, John B., xxx-xx-xxxx
Bergeron, Lynn H., xxx-xx-xxxx
Broussard, Kermit C., xxx-xx-xxxx
Brown, Kenneth P., xxx-xx-xxxx
Burdick, Donald, xxx-xx-xxxx
Burruss, Merrill B., Jr., xxx-xx-xxxx
Caldarone, Rosindo E. Jr., xxx-xx-xxxx
Caldwell, Arthur H., xxx-xx-xxxx
Chapman, Michael G., xxx-xx-xxxx
Chavanne, Raymond E., xxx-xx-xxxx
David, Harold L., xxx-xx-xxxx
Defoor, Johnson B., xxx-xx-xxxx
Dehne, Duane A., xxx-xx-xxxx
Dickerson, William L., xxx-xx-xxxx
Dickinson, Robert M., xxx-xx-xxxx
Doll, Paul K., xxx-xx-xxxx
Duerr, Richard D., xxx-xx-xxxx
Esham, James T., xxx-xx-xxxx
Evans, William A., xxx-xx-xxxx
Finley, Philip B., xxx-xx-xxxx
Flanum, Arvid M., xxx-xx-xxxx
Gabalton, Antonio, Jr., xxx-xx-xxxx
Harries, David G., III, xxx-xx-xxxx
Howland, Ronald L., xxx-xx-xxxx
Johnson, Daniel H., xxx-xx-xxxx
Lankford, Gerald L., xxx-xx-xxxx
Lee, John, xxx-xx-xxxx
Lee, Larry E., xxx-xx-xxxx
Lever, Herbert J., xxx-xx-xxxx
Leyva, Richard C., xxx-xx-xxxx
Lockwood, Harry E., Jr., xxx-xx-xxxx
Logan, Robert C., xxx-xx-xxxx
Maldonado-Albelo, Edwin D., xxx-xx-xxxx
Marinero, Ralph C., xxx-xx-xxxx
McIver, Farris E., xxx-xx-xxxx
Meadows, Robert E., xxx-xx-xxxx
Montgomery, Harry J., xxx-xx-xxxx
Niven, Benjamin F., Jr., xxx-xx-xxxx
Ortiz, Jorge D., xxx-xx-xxxx
Ostrom, Robert E., xxx-xx-xxxx
Parrish, James R., xxx-xx-xxxx
Roberts, Harold E., xxx-xx-xxxx
Rowe, Benjamin D., xxx-xx-xxxx
Schaeffer, John W., Jr., xxx-xx-xxxx
Scully, John J., xxx-xx-xxxx
Shepherd, Raymond L., xxx-xx-xxxx
Stull, Harman A., xxx-xx-xxxx
Wachter, Barb L., xxx-xx-xxxx
Ward, Moody H., xxx-xx-xxxx
Wleck, Wayne R., xxx-xx-xxxx
Wilson, Robert W., xxx-xx-xxxx
Young, James R., Jr., xxx-xx-xxxx

CHAPLAIN

To be lieutenant colonel

Donahue, John G., xxx-xx-xxxx

DENTAL CORPS

To be lieutenant colonel

Lumpkin, Ernest E., Jr., xxx-xx-xxxx

MEDICAL CORPS

To be lieutenant colonel

Carlson, Rodney R., xxx-xx-xxxx
Scott, George E., xxx-xx-xxxx
Solidum, Ruben, R., xxx-xx-xxxx

MEDICAL SERVICE CORPS

To be lieutenant colonel

Dickerson, James B. A., xxx-xx-xxxx
Gore, Thomas P., xxx-xx-xxxx
Smith, Billy R., Sr., xxx-xx-xxxx
Thrush, Donald R., xxx-xx-xxxx
Wilk, Stanley J., xxx-xx-xxxx

IN THE NAVY

The following-named (Naval Reserve Officers Training Corps candidates) to be permanent Ensigns in the line or staff corps of the Navy, subject to the qualifications therefore as provided by law:

John R. Bolton.
David S. Zebrowski.

The following-named (Naval Reserve officers) to be appointed permanent Commanders in the Medical Corps of the U.S. Navy, subject to the qualifications therefor as provided by law:

Comdr. Donald E. Boye, MC, USNR.
Comdr. Louis Copman, MC, USNR.
Comdr. Jerald B. Felder, MC, USNR.
Comdr. Timothy M. McCormick, MC, USNR.
Comdr. James E. Massman, MC, USNR.

The following-named (Naval Reserve officers) to be appointed permanent Lieutenant Commanders in the Medical Corps of the U.S. Navy, subject to the qualifications therefor as provided by law:

Lt. Comdr. Mario J. Balsam, MC, USNR.
Lt. Comdr. Joseph C. Benedict, MC, USNR.
Comdr. Robert W. Browning, MC, USNR.
Comdr. Cyrus M. Day, III, MC, USNR.
Lt. Comdr. George G. Edwards, Jr., MC, USNR.

Comdr. James J. Edwards, Jr., MC, USNR.
Lt. Comdr. Jerome H. Goldschmidt, MC, USNR.

Comdr. George E. Hill, MC, USNR.
Lt. Comdr. Kale C. Khoury, Jr., MC, USNR.
Lt. Comdr. Gregory B. Kirkorowicz, MC, USNR.

Lt. Comdr. Gabriel P. N. Lombard, MC, USNR.
Lt. Comdr. Luis A. Negron-Rivera, MC, USNR.

Lt. Comdr. Bernard P. Novak, MC, USNR.
Lt. Comdr. David L. Rayl, MC, USNR.
Comdr. Rafael A. Roure, MC, USNR.
Lt. Comdr. Kangavkar Shantinath, MC, USNR.

Lt. Comdr. Thomas W. Smith, MC, USNR.
Lt. Comdr. Arturo H. Solares, MC, USNR.
Lt. Comdr. John H. Tinker, MC, USNR.
Lt. Comdr. Peter L. Washburn, MC, USNR.
Lt. Comdr. Richard A. Weaver, MC, USNR.

The following-named (Naval Reserve officer) to be appointed a permanent Lieutenant Commander in the Dental Corps of the U.S. Navy, subject to the qualifications therefor as provided by law:

*Appointment sent out Ad Interim (During the recess of the Senate).

Lt. Comdr. Robert G. Walter, DC, USNR.
The following-named Chief Warrant Officers to be appointed permanent Chief Warrant Officers, W-2, in the U.S. Navy, in the classification indicated, subject to the qualifications therefor as provided by law:

*CWO2 Charles D. Kelley, USN(T) Engineering Technician (Surface).

*CWO2 Jonathan T. Beatty, USN(T) Nuclear Power Technician (Submarine).

*CWO2 Rex G. Bennett, USN(T) Nuclear Power Technician (Submarine).

*CWO2 Kenneth N. Drewes, USN(T) Nuclear Power Technician (Submarine).

*CWO2 George W. Smith, USN(T) Nuclear Power Technician (Submarine).

*CWO2 Lawrence M. Ramstad, USN(T) Nuclear Power Technician (Submarine).

*CWO2 George W. Smith, USN(T) Nuclear Power Technician (Submarine).

*CWO2 Thomas G. Tinney, USN(T) Nuclear Power Technician (Submarine).

*CWO2 Howard R. Crist, USN(T) Ordnance Technician (Submarine).

*CWO2 David J. Frese, USN(T) Ordnance Technician (Submarine).

*CWO2 David L. Lebert, USN(T) Ordnance Technician (Submarine).

*CWO2 Bruce Bailey, USN(T) Aviation Maintenance Technician.

*CWO2 Nevin E. Daub, USN(T) Aviation Maintenance Technician.

*CWO2 Roy F. Fisher, USN(T) Aviation Maintenance Technician.

*CWO2 Reginald E. Forgays, USN(T) Aviation Maintenance Technician.

*CWO2 James Gonzalez, USN(T) Aviation Maintenance Technician.

*CWO2 Vivian W. Gorday, Jr., USN(T) Aviation Maintenance Technician.

*CWO2 Carlton R. Isbell, USN(T) Aviation Maintenance Technician.

*CWO2 Danny L. Proctor, USN(T) Aviation Maintenance Technician.

*CWO2 Gerald G. Reinke, USN(T) Aviation Maintenance Technician.

*CWO2 Jack Sizemore, USN(T) Aviation Maintenance Technician.

*CWO3 Jon L. Toombs, USN(T) Aviation Maintenance Technician.

*CWO2 Robert A. Zabielski, USN(T) Aviation Maintenance Technician.

*CWO2 Charles D. Bain, Aviation Ordnance Technician.

*CWO2 Paul M. Byrne, USN(T) Communications Technician.

*CWO2 John D. Cary, USN(T) Communications Technician.

*CWO2 Darryl D. Deseve, USN(T) Communications Technician.

*CWO2 John M. Mahoney, USN(T) Communications Technician.

*CWO2 Thomas R. Smith, USN(T) Communications Technician.

*CWO2 William J. Smith, USN(T) Communications Technician.

*CWO2 Dorniece Butler, USN(T) Aerographer.

The following-named Naval Reserve officers) to be appointed temporary Commanders in the Medical Corps of the U.S. Navy, subject to the qualifications therefor as provided by law:

Comdr. Robert W. Browning, MC, USNR.

Comdr. Cyrus M. Day, III, MC, USNR.

Comdr. James J. Edwards, Jr., MC, USNR.

Comdr. George E. Hill, MC, USNR.

Comdr. Rafael A. Roure, MC, USNR.

The following-named enlisted candidates to be appointed temporary Chief Warrant Officers, W-2, in the U.S. Navy, in the classification indicated, subject to the qualifications therefor as provided by law:

*Claud M. Ahrens, Boatswain (Surface).

*Gary O. Beadle, Boatswain (Surface).

*George A. Carr, Jr., Boatswain (Surface).

*William C. Chadwick, Boatswain (Surface).

*George L. Gadsden, Boatswain (Surface).

*William E. Hendricks, Boatswain (Surface).

*Roy M. Holden, Boatswain (Surface).

*James C. Jackson, Boatswain (Surface).

*Keith H. Mittelstadt, Boatswain (Surface).

*Glenn R. Pentecost, Jr., Boatswain (Surface).

*Danny J. Williams, Boatswain (Surface).

*Gary L. Wood, Boatswain (Surface).

*David A. Young, Boatswain (Surface).

*Carl L. Ballard, Operations Technician (Surface).

*James E. Miller, Underwater Ordnance Technician (Surface).

*Daniel Villegas, Operations Technician (Submarine).

*Paul L. Duggan, Engineering Technician (Submarine).

*Frederick M. Humphrey, Underwater Ordnance Technician (Submarine).

*Carl J. Nicholas, Underwater Ordnance Technician (Submarine).

*Richard L. Warden, Underwater Ordnance Technician (Submarine).

*Victor P. Pinion, Aviation Boatswain.

*Sheldon M. Schrager, Aviation Maintenance Technician.

*Wesley E. Woodcock, Aviation Maintenance Technician.

*Thomas B. Frey, Aviation Electronics Technician.

*Charles G. Haskins, Aviation Electronics Technician.

*Lester L. Heath, Jr., Aviation Electronics Technician.

*Robert L. Hickman, Jr., Aviation Electronics Technician.

*Allen R. Hughes, Aviation Electronics Technician.

*Harlon R. Mills, Aviation Electronics Technician.

*Carroll R. Redding, Aviation Electronics Technician.

*Otis C. Stanley, Aviation Electronics Technician.

*Stephen S. Drago, Communications Technician.

*Malcolm E. Empey, Communications Technician.

*Earl F. Lienemann, Communications Technician.

*Sam P. Miciotto, Jr., Communications Technician.

*Joe F. Pasour, Communications Technician.

*George A. Severance, Jr., Communications Technician.

*James L. Turner, Communications Technician.

*Donald R. Ward, Communications Technician.

*Lindley C. Wert, Communications Technician.

*James W. Williams, Communications Technician.

The following-named Navy enlisted candidates to be appointed Ensigns in the U.S. Navy, for temporary service, for limited duty in the classifications indicated, subject to the qualifications therefor as provided by law:

*William E. Crouch, Aviation Maintenance.

*Anibal L. Delgado, Aviation Maintenance.

*David H. Johnston, Aviation Maintenance.

*Beasley K. Lewallen, Jr., Aviation Maintenance.

The following-named Chief Warrant Officers to be appointed Lieutenants (junior grade) in the U.S. Navy, for temporary service, for limited duty in the classification indicated, subject to the qualifications therefor as provided by law:

*CWO2 James M. Albertin, Jr., USN, Nuclear Power (Submarine).

*CWO2 Phillip W. Beasley USN(T), Nuclear Power (Submarine).

*CWO2 Jonathan T. Beatty, USN(T), Nuclear Power (Submarine).

*CWO2 Rex G. Bennett, USN(T), Nuclear Power (Submarine).

*CWO2 Lloyd D. Davis, USN(T), Nuclear Power (Submarine).

*CWO2 Kenneth N. Drewes, USN(T), Nuclear Power (Submarine).

*CWO2 Lynn N. Johnson, USN(T), Nuclear Power (Submarine).

*CWO2 Charles D. Kelley, USN(T), Nuclear Power (Submarine).

*CWO2 Lawrence M. Ramstad, USN(T), Nuclear Power (Submarine).

*CWO2 George W. Smith, USN(T), Nuclear Power (Submarine).

*CWO2 Thomas G. Tinney, USN(T), Nuclear Power (Submarine).

*CWO2 Howard R. Crist, USN(T), Ordnance (Submarine).

*CWO2 David J. Frese, USN(T), Ordnance (Submarine).

*CWO2 Ralph J. Harker, Jr., USN (T), Ordnance (Submarine).

*CWO2 David J. Lebert, UNT(T), Ordnance (Submarine).

*CWO2 Albert L. Smith, USN(T), Ordnance (Submarine).

*CWO2 Charles F. Van Zandt, USN(T), Ordnance (Submarine).

*CWO2 James R. Hilt, USN(T), Aviation Operations.

*CWO2 Bruce Bailey, USN(T), Aviation Maintenance.

*CWO2 Nevin E. Daub, USN(T), Aviation Maintenance.

*CWO2 Roy F. Fisher, USN(T), Aviation Maintenance.

*CWO2 Reginald E. Forgays, USN(T), Aviation Maintenance.

*CWO2 James Gonzalez, USN(T), Aviation Maintenance.

*CWO2 Vivian W. Gorday, Jr., USN(T), Aviation Maintenance.

*CWO2 Carlton R. Isbell, USN(T), Aviation Maintenance.

*CWO2 Danny L. Proctor, USN(T), Aviation Maintenance.

*CWO2 Gerald G. Reinke, USN(T), Aviation Maintenance.

*CWO2 Jack Sizemore, USN(T), Aviation Maintenance.

*CWO3 Jon L. Toombs, USN(T), Aviation Maintenance.

*CWO2 Robert A. Zabielski, USN(T), Aviation Maintenance.

*CWO2 Charles L. Bain, USN(T), Aviation Ordnance.

*CWO2 Paul M. Byrne, USN(T), Cryptology.

*CWO2 John D. Cary, USN(T), Cryptology.

*CWO2 Darryl D. Deseve, USN(T), Cryptology.

*CWO2 John M. Mahoney USN(T), Cryptology.

*CWO2 Thomas R. Smith, USN(T) Cryptology.

*CWO2 William J. Smith, USN(T), Cryptology.

*CWO2 Louis F. West USN(T) Cryptology.

*CWO2 Dorniece Butler, USN(T), Meteorology.

The following-named (U.S. Navy officer) to be appointed a temporary Commander in the Medical Corps in the Reserve of the U.S. Navy, subject to the qualifications therefor as provided by law:

*CDR Gayle V. Voth, MC, USN.

IN THE MARINE CORPS

The following-named temporary disability retired officer for reappointment to the grade of major in the Marine Corps, subject to the qualifications therefor as provided by law: Andrews, Donald W.

HOUSE OF REPRESENTATIVES—Monday, August 23, 1976

The House met at 12 o'clock noon.
The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

Be strong in the Lord and in the power of His might.—Ephesians 6: 10.

O God, whose strength supports us in our labor and whose Spirit sustains us as we work, give us a fresh realization of Thy presence as we wait upon Thee in prayer. Grant unto us patience when we demand too much too soon and decisions do not go our way. Grant unto us courage in the face of apparent defeat that we may still believe in the ultimate victory of the good for the good of all. Grant unto us love when we falter in fear and fail in faithfulness that we may have the steady assurance that Thou art with us loving us unto the very end.

As we face the future

"God send us leaders whose aim will be not to defend some ancient creed,
But to live out the laws of Thine in every thought and word and deed.

"God send us leaders of steadfast will.
Patient, courageous, strong and true,

With vision clear and minds equipped
Thy will to learn, Thy work to do.

"God send us leaders with hearts aflame,
all truth to love, all wrong to hate;

These are the leaders our Nation needs,
These are the bulwarks of the state."

Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced

that the Senate had passed with amendments, in which the concurrence of the House is requested, bills of the House of the following titles:

H.R. 10612. An act to reform the tax laws of the United States; and

H.R. 12987. An act to authorize appropriations for fiscal year 1976, and for the period beginning July 1, 1976, and ending September 30, 1976, for carrying out title VI of the Comprehensive Employment and Training Act of 1973, and for other purposes.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 10612) entitled "An act to reform the tax laws of the United States," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. LONG, Mr. TALMADGE, Mr. RIBICOFF, Mr. BENTSEN, Mr. GRAVEL, Mr. HATHAWAY, Mr. HASKELL, Mr. CURTIS, Mr. FANNIN, Mr. HANSEN, and Mr. PACKWOOD to be the conferees on the part of the Senate.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 12987) entitled "An act